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28 November 1983

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No. 2238

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STORTING PANEL TO POSTPONE ARMS DEBATE UNTIL SPRING

Oslo AFTENPOSTEN in Norwegian 4 Nov 83 p 3

[Article by Terje Svabo]

[Text] The Storting Foreign Policy Committee is dragging its feet in its work to prepare a statement on the government's arms reduction report. The government submitted the report in the spring of 1982. Now the committee has decided not to present its remarks until next spring. The main reason for the delay can be traced to the Labor Party's internal clash on the missile issue, but it is also partly due to the shift in the committee chairmanship as a result of the restructuring of the government in June. The issue spokesman for the report is Gro Harlem Brundtland of the Labor Party.

The government report outlines the long-term perspectives for the arms control and arms reduction efforts. The report analyzes the work on nuclear-free zones, the nuclear freeze and the current arms reduction talks, to mention a few key points.

When the government had finished its report in the spring of 1982, the Labor Party was in the middle of a very bitter conflict over the current missile talks in Geneva. The Labor Party was searching for a common platform that could unite the party. Against that background there was very little interest in or capacity for doing anything about the report before the national congress in April, as far as the Labor Party was concerned.

That is why the work on the committee's statement was at a standstill until the Labor congress clarified a missile stand. AFTENPOSTEN has learned from informed sources that the Labor Party produced very few notes on the matter prior to the party congress.

In June the Willoch government was restructured and Kare Kristiansen, who was then committee chairman, became a member of the government. The new chairman is Jakob Aano of the Christian People's Party. It is obvious that this shift produced some delays in the work on the committee's statement.

In September the committee traveled to London, Brussels and Geneva to obtain more material for its statement. At the end of the trip, which was shared by Norwegian press people, it was stated that the goal was to submit a statement during the current fall session.

The committee has now retreated from this and delayed the statement until spring. This means that the debate in Storting on these very central topics will take place almost 2 years after Storting received the report from the government.

In a comment to AFTENPOSTEN, committee chairman Jakob Aano said that it is a widely-held feeling on the committee that more time is needed and that members do not want work on the long-term arms reduction issue disturbed by the hectic debate on the missile issue.

The leader of the Conservative faction on the committee, Harald U. Lied, expressed the same views as Aano. Lied pointed out that it is more important for the Conservatives to bring about as broad an agreement as possible on the long-range aspects of arms reduction than to hold an arms reduction debate in the midst of the missile talks. Lied also hoped that a possible clarification in Geneva would provide a better starting point for work on the report.

Issue spokesman Gro Harlem Brundtland said that there was agreement on the committee that there would not be time for as thorough a debate this fall as such an important report requires, partly because of the work on the budget. She also reminded us that the committee statement was delayed this spring because the nonsocialist parties requested postponement in connection with the government changes.

It is AFTENPOSTEN's understanding that Gro Harlem Brundtland's condition for going along with a new delay was that she not be exposed to criticism by other committee members.

The demand appears to have met with compliance.

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CSO: 3639/21

LABOR PARTY EXECUTIVE COMMITTEE DECIDES AGAINST MISSILES

Oslo AFTENPOSTEN in Norwegian 8 Nov 83 p 5

[Article by Terje Svabo]

[Text] The executive committee of the Labor Party removed the last shadow of a doubt yesterday that the party would oppose the commitment to NATO's dual decision no matter what. A note from the executive committee made it clear that the Labor Party will oppose deployment of new western missiles this fall and will support an extension of the negotiations in Geneva instead. The executive committee's resolution is diametrically opposed to what the Labor Party consented to at the meeting of the NATO Council of Ministers in 1979. Prime Minister Kare Willoch pointed out that we cannot approve a Soviet missile monopoly in Europe.

The note the executive committee approved yesterday is a follow-up of the earlier missile report which formed the background for the unanimous party congress resolution this spring. The note is now being sent out to the party's national committee members who will meet in Oslo on 20 November. The next day, 21 November, Storting will hold its missile debate.

Party leader Gro Harlem Brundtland said at a press conference yesterday that the note was unanimously approved by the executive committee and that against the background of a discussion in the Storting group last Wednesday she expected full support from that quarter also.

To a large extent the contents of the note are identical with the resolution the Labor Party and sister parties passed at the so-called Scandilux meeting in Brussels at the end of October. It states that there is no Geneva agreement today and that there are many indications that it will not be possible to produce an agreement on the basis of the talks before the end of the year.

The note contains a broad review of the Labor congress resolution and as a motivation for the party's position, the note refers among other things to the fact that talks on the SALT agreement did not continue. (SALT is the name for talks on limiting strategic nuclear weapons.)

It then stresses that almost 2 years went by after the dual decision was approved in 1979 before the talks in Geneva got going and that detente between East and West has gradually been replaced with increasing confrontation between the United States and the Soviet Union.

The executive committee of the Labor Party agreed on the following main principles:

The sides in Geneva must agree on a freeze of all types of nuclear weapons as a means of achieving de-escalation.

The talks on medium-range and strategic weapons must be linked together so that different types of nuclear weapons can be seen in context.

In a comment to the executive committee of the Labor Party, Prime Minister Willoch said that NATO has said all along that talks with the Soviet Union must continue but that the West cannot postpone the first round of deployment. "The fact that the Soviet Union has a missile monopoly in Europe could easily lead to blackmail against the NATO countries. The Soviet Union must be made aware that it must reduce its own forces in order to prevent western deployment," Willoch said. He feared that the Soviet Union is depending on western Social Democratic parties to make sure that there is no missile deployment in the West.

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CSO: 3639/21

POLL FINDS SIXTY PERCENT IN OPPOSITION TO MISSILE DEPLOYMENT

Oslo ARBEIDERBLADET in Norwegian 24 Oct 83 p 18

[Article by Gunnar A. Johansen]

[Text] Norwegian opponents of the deployment of new nuclear missiles in West Europe are increasing in numbers. This is shown by an opinion poll the Norwegian Opinion Institute conducted for ARBEIDERBLADET.

A clear majority of 60 percent opposed deployment even if the Geneva talks are unsuccessful. And 35 percent would approve of new missiles if the United States and the Soviet Union cannot agree.

Opposition to the missiles has increased substantially since a similar poll was taken in February. Now 60 percent are opposed to deployment compared to 46 percent in February. Supporters have declined from 40 percent in February to 35 percent now. The "don't know" group has been cut more than in half--from 14 to 6 percent.

Taking a Stand

The 1005 people who were interviewed in the NOI [Norwegian Opinion Institute] poll were asked the following question: "If the United States and the Soviet Union do not agree on limiting the number of medium-range missiles with nuclear charges via the talks in Geneva by the end of 1983, should NATO deploy the nuclear missiles it is planning to deploy in West Europe?"

The opinion poll suggests that those who were formerly in doubt have now begun to take a stand against deployment of new NATO missiles. But some people have also changed their minds in favor of missile opposition.

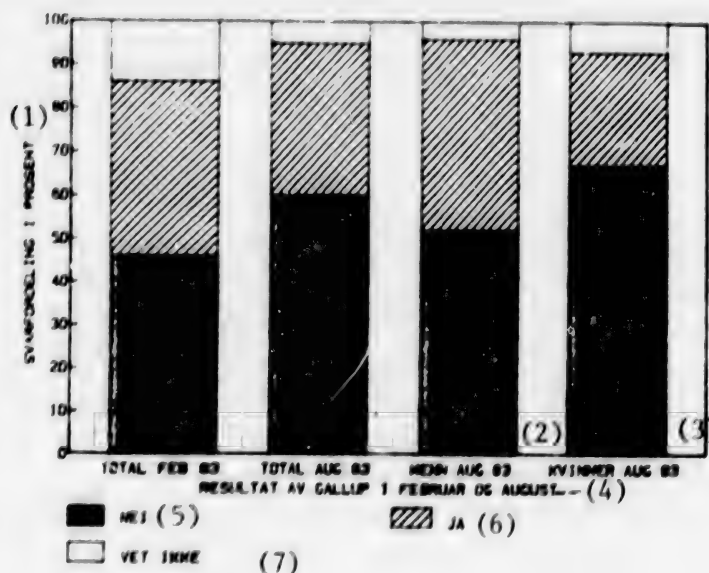
West Germany Too

Similar opinion polls that have been conducted in West Germany show the same tendency as the NOI opinion poll conducted in this country. Two out

of three West Germans were sympathetic to that country's peace movement, according to polls published before the weekend.

In this country missile opposition is larger among women. Two out of three Norwegian women--or 67 percent--opposed deployment even if the Geneva talks break down. There was a 26 percent vote among women for new missile deployment while 7 percent were unsure.

The corresponding figures for men were 52 percent opposed, 44 percent in favor and 4 percent undecided.



Should NATO Deploy Nuclear Missiles?

The graph depicts the views of Norwegians on missile deployment.

Key:

- | | |
|---|---------------|
| 1. Distribution of responses in percentages | 5. No |
| 2. Men | 6. Yes |
| 3. Women | 7. Don't know |
| 4. February and August poll results | |

Conservatives and Progressives

The Conservative and Progressive parties were the only ones whose sympathizers lent more support than opposition to deployment. The Conservative distribution was 61 percent in favor and 35 percent opposed and among Progressives, 58 percent approved and 39 percent opposed deployment.

The greatest opposition to deployment was found in SV [Socialist Left Party], where 90 percent were opposed and 10 percent were in favor. Figures for the Labor Party were 71 percent against and 22 percent for. The Christian People's Party had 72 percent opposed and 18 percent in favor, with 10 percent undecided. Among Center Party voters, 59 percent said no and 39 percent yes. And in the Liberal Party, 68 percent were opposed and 23 percent in favor.

Opponents to the missiles are in the majority across the entire country. The biggest majority was found in the eastern part of the country, outside Oslo and Akershus, where 65 percent of the people opposed deployment compared to 32 percent who favored it. In the southern and western parts of the country, 60 percent of the people were opposed and 31 percent in favor. In Trondelag and North Norway the figures were 57 percent against and 37 percent for. In Oslo and Akershus, a majority of 51 percent said no while a minority of 44 percent said yes.

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GIGN FILES, FLNC, TERRORIST CONTACTS QUESTIONED

Paris LIBERATION in French 4 Oct 83 pp 12, 13

[Article by Giles Millet: "Intelligence Services of the Elysee"]

[Text] Since 1982 an intelligence service has been in place at the Elysee: free from any supervision, it utilizes all the intelligence collected by the police over a period of years up to the present time.

It was already known--ever since the distressing incident of the Irish at Vincennes--that there existed around Major Prouteau, technical adviser to the president of the republic, a structure for intelligence gathering and action which had been intervening--without any supervision--in a field that has traditionally been reserved to the police. It was learned at that time that this structure--made up in part of gendarmes of the GIGN [Intervention Group of the National Gendarmerie]--had little understanding of the antiterrorist struggle and for a short time had us believing that two former terrorists whom it had caught were dangerous "planters" of bombs.

It was also learned that in order to exaggerate the importance of their "catch" the gendarmes had not hesitated to falsify their official report, if not worse. Subsequently, despite this enormous fraud (which by itself should have alerted the government), Prouteau and his men continued their intelligence operations without being the least bit disturbed or subjected to any kind of supervision. They ransacked the police files--which had already been cause for concern--and set up their own files. They have chosen to compete with the police on the police' own grounds: the recent Corsican events and the mysterious activities of the GIGN on the island serve to remind us of this fact.

Today, because these people are working independently of any supervision and are poking around in files over which they have no authority while at the same time seeking information from journalists, we decided to throw some light on their activities.

The socialists are already having difficulty in controlling their police, whose ranks they are not increasing.

The Working Group of Technical Adviser Prouteau

It all began around May 1982. Major Prouteau, boss of the highly television-oriented GIGN (Intervention Group of the National Gendarmerie), makes frequent visits to the Elysee. Who tells him to come? No one knows exactly, although it would appear to be the cabinet minister to whom he is accountable: Minister of Defense Charles Hernu, acting in concert with Mitterrand's very close adviser, Francois de Groussouvre.

Hernu's father was a gendarme, and the minister has fond feelings toward that elite corps, which he judges to be loyal and disciplined. Hernu would like the gendarmes--through the instrumentality of the GIGN--to "double" the number of police so as to ensure the safety of the president of the republic. Among Mitterrand's associates there is distrust of the police, who (notably within the Elysee) include a number of supporters of the previous governmental majority. Moreover, the inspectors who are responsible for protecting the president have on several occasions been derelict in their duty.

Groussouvre's job at the Elysee was therefore to guide the newcomer. Prouteau set to work, checking initially on the various premises and the manner in which they are protected by the police services. Next, he set about discreetly to monitor Mitterrand's various trips, while observing his colleagues at the Ministry of the Interior and taking notes.

The police--and especially those of the VO (Official Trips) department--very soon became aware of these activities and became uneasy. The affair was disclosed in the press in July. The Elysee immediately made public an announcement in which it stated that Major Prouteau had been put in charge of a "study mission" concerning the safety of the president of the republic. In an effort to avoid offending the heads of the VO and the police unions, the Elysee for the time being kept secret the fact that Prouteau was not only engaged in "study" but had already developed a system of protection consisting of approximately 30 members of the GIGN.

Prouteau also made it known that he wanted 20 high-speed motor vehicles; a quantity of the latest-model assault rifles; riot guns; grenades; and some very sophisticated "cryptophonic" equipment designed to scramble the radio messages of the security services to prevent any possibility that they can be monitored.

At that time some of Mitterrand's advisers--and the president himself--were already thinking of entrusting Prouteau with certain other duties. Indeed, if one cannot have complete confidence in the police in matters relating to the president's safety, why should anyone trust them in matters relating to the security of the nation? In that area too, there were plans to "double" the number of police and allow Prouteau to put in place a small-scale structure for gathering "information" concerning terrorism; its function would be to transmit information directly to the Elysee, noting any possible shortcomings on the part of the police. These shortcomings would be involuntary, resulting from the poor performance of certain services, or "voluntary," resulting from a lack of cooperation on the part of certain police personnel and from their propensity to transmit information more readily to the parties of the Right and Far Right than to their own superiors in the police hierarchy.

Prouteau would accordingly be initiated into the secrets of intelligence and antiterrorism--subtle practices of which he had acquired very little experience.

In August the whole affair was made public by Mitterrand, who announced a series of antiterrorist measures following the crime at the Rue des Rosiers and the more or less serious acts of violence that ensued. Prouteau was named "chief of mission to coordinate the fight against terrorism," and Joseph Franceschi was put in charge of a brand new secretariat--the Secretariat of Public Security. Everyone set to work. Franceschi recruited his team, on which Superintendent Broussard made a conspicuous entree; Prouteau selected his more discreetly. There was nothing very original on Franceschi's part; the men comprising his staff would work with the various officials of the Criminal Investigation Police (PJ), General Intelligence (RG), and Directorate of Territorial Security (DST).

As for Prouteau, the organization he put in place was more sophisticated. The boss of the GIGN planned to rely, on the one hand, on a small intelligence team composed of gendarmes and police of the RG or DST who would work with him at the Elysee, and on the other hand on the GIGN, from which he would draw the personnel necessary for the investigatory work, the establishment of contacts, and intervention.

Meanwhile, a friend of Prouteau--Superintendent Pellegrini, who had formerly headed the Central Office for the Repression of Banditry (O CRS)--was charged with providing liaison among the DGSE [General Directorate of Foreign Security] (the former SDECE [Foreign Intelligence and Counterintelligence Service]), Prouteau, and the various police intelligence services. One small detail is that he was assisted in this "liaison" work by 10 inspectors who--when the occasion presented itself--would work with the GIGN teams formed by Prouteau.

What happened, in short, was that a veritable service for parallel intelligence gathering and intervention was put in place--without any judicial supervision--among the Elysee, the Ministry of Defense and the Ministry of the Interior.

In September 1982, Prouteau's men began to visit various police services to forage for dossiers. At first the police protested, and sometimes refused to transmit the information requested. Very soon, however--following a meeting between Franceschi's chief administrative aide, Frederic Thiriez, Prouteau and the various department heads--everything was straightened out.

The gendarmes returned, and the police yielded. Prouteau and Pellegrini took an interest in everything: in the Middle East, to be sure; in the Armenians; in the Corsicans; and in the "Direct Action" movement--but also in the Curriel dossier, in the Goldman dossier, and in the intelligence gathered by the police with respect to certain journalists, notably including those of LIBERATION.¹

Concurrently, wiretaps were placed (using the DGSE) not only on the telephones of persons suspected of helping the terrorists or of themselves being terrorists

1. Note: There are a number of errors in the dossier that General Intelligence transmitted concerning the author of the present article.

but also on the telephones of journalists--or even personnel of the Ministry of the Interior who were suspected of maintaining excessively convivial relations with the press.²

Prouteau also set about to make contacts. He sometimes personally took charge of carrying out the plans that were made, although most often it was his deputy in the GIGN, Captain Barril, who performed this function. You began to see Barril almost everywhere: in Corsica, for example, where--after ordering the nationalist Alain Orsoni to be held at a gendarmerie barracks--he took a GIGN [expansion unknown] plane in an attempt to reestablish contact with the FLNC [Corsican National Liberation Front] "in the name of the president," and also in a Paris hotel, where he helped to prepare a coup d'etat against President Duvalier of Haiti.

Prouteau and the GIGN sometimes played a direct role in repression. The first large-scale operation--the interrogation of the Irish at Vincennes--was a complete fiasco (see inset). Besides Barril (who did not come away unscathed), Pellegrini was also at the scene.

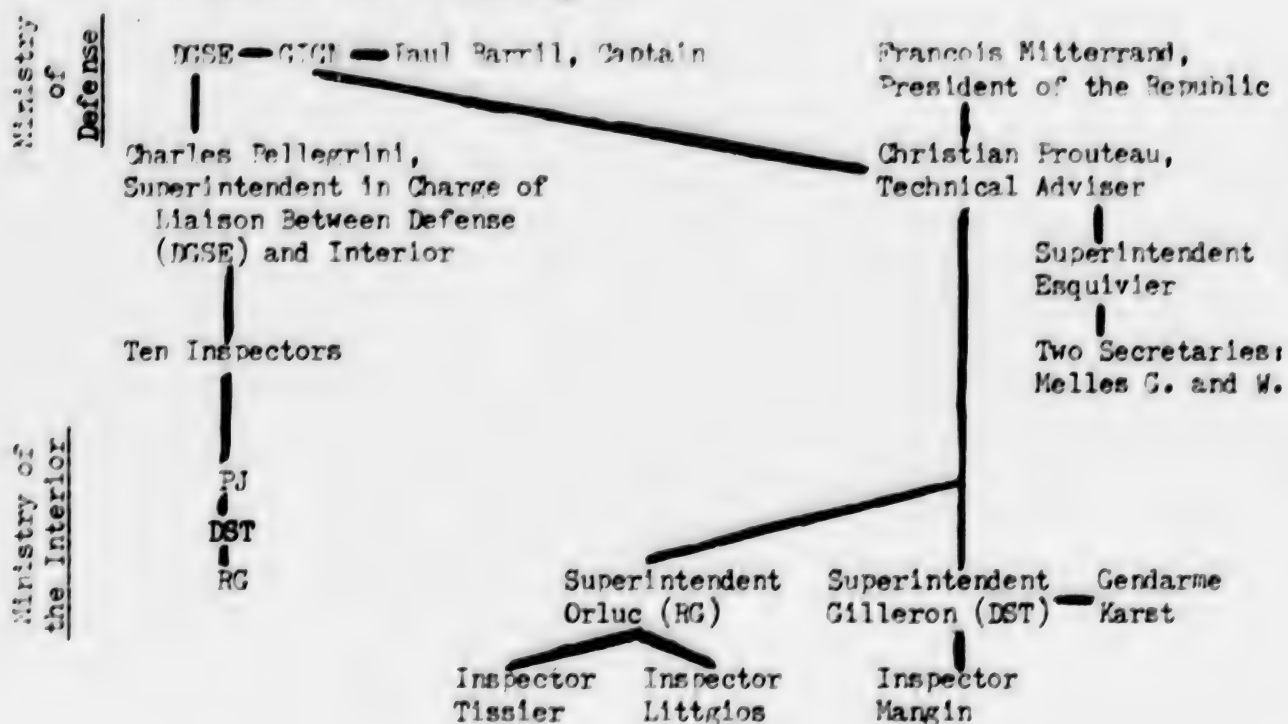
Other fiascoes ensued, notably the incident wherein the GIGN raided a farm that was occupied by antidrug educators of the "Patriarch" organization and their proteges instead of by the terrorists who were believed to be there--together with other farces of the same sort.

None of this prevented Prouteau from continuing his work, while one of his deputies every week attended the meetings of the Liaison Office that had been organized theoretically to fight terrorism. During these meetings--attended by the heads of the various police services (PJ, RG, DST) and the chief administrative aide of the Secretariat of State for Public Security (or even by the secretary himself or the minister, in the event of a serious case)--Prouteau's representative took almost no part in the discussions but did take copious notes. What was the destination of these notes? Perhaps one of the three small computers presided over at the Elysee by Prouteau's closest associate, Superintendent Esquivier. These two men have two or three offices at their disposal and are assisted by two secretaries. That is where they can be reached--by asking the switchboard for Extension 600. The rest of the team is located at 2 Rue de l'Elysee: there you will find Superintendent Orluc, a senior officer of General Intelligence (Extension 602), and Superintendent Gilleron, a senior officer of the Directorate of Territorial Surveillance (Extension 603). Orluc is assisted by Inspectors Tissier and Littgios; Gilleron is assisted by Inspector Mangin. In addition there is Gendarme Karst, who lends assistance to both men (Extension 606).

When Prouteau himself desires certain intelligence he turns (as we have said) either to his "young fellows" in the GIGN or to Pellegrini's team. It is they who will be found where the action is: in Corsica, attempting to negotiate with the FLNC or to duplicate the work of Broussard's men, or on the trail of the Armenians or possible French terrorists. That is to say, unless they are occupied--on orders from the president or from their own boss--in a search for the instigators of escapes.

2. Was Frederic Thiniez, Franceschi's chief administrative aide, transferred for this reason?

The "Antiterrorist" Cell of the Elysee



Legend:

1. DGSE: General Directorate of Foreign Security. Is the French espionage service. Was called the SDECE before the socialists changed its name.
 2. GIGN: Intervention Group of the National Gendarmerie. (Both of these services are under the Ministry of Defense)
 3. DST: Directorate of Territorial Surveillance. Is the French counterespionage service.
 4. RG: General Intelligence.
 5. PJ: Criminal Investigation Police.
- (The three last-named services are under the Ministry of the Interior.)

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CSO: 3519/45

MYSTERIOUS ASSIGNMENT OF PELLEGRINI INVESTIGATED

Paris LIBERATION in French 4 Oct 83 p 14

[Article by Veronique Brocard: "But Who Is in Charge of Superintendent Pellegrini?"]

[Text] The Elysee does not acknowledge this man, nor does the Ministry of the Interior. The Ministry of Defense is almost equally tight-lipped. One would believe that this police officer is indeed an embarrassment.

The game could be entitled, "In Search of Superintendent Charles Pellegrini," with subtitles in the form of questions such as, "What does he do?" "To whom is he answerable?" "When does he work?" It's a long story, but it could be amusing. The first throw of the dice says to try the office of the president first. "Hello, press service? Can you tell us if the superintendent is in your office, and if so why?" "I don't know; we'll look for him and call you back." Three "squares" farther on we try the Ministry of the Interior; no reply, either official or unofficial, at least at first.

Impasse. A second throw of the dice. A recommendation: check out the telephone switchboards. At the Elysee: "Who? Mr Pellegrini? Don't know him." At Interior: "No, he doesn't work here. But wait: you can reach him at 555 95 20; that's the Ministry of Defense." At the Ministry of Defense: "What? Superintendent who? No, he doesn't work here. I'll connect you with Military Intelligence." Same response there: "We don't have his name on our lists. If you could tell us the unit to which he is assigned. You can't, and I certainly can't either. Ask the press service." An amiable military public relations person assures me, with the voice of a specialist who is explaining to you something that is obvious but about which you understand absolutely nothing: "Mr Pellegrini is, after all, a police superintendent; he therefore cannot be subordinate to the Ministry of Defense. Only gendarmes can be. You say he could be at the General Directorate of Foreign Security [DGSE] (the former SDECENDER)? That is of course impossible. Contact the Ministry of the Interior, which is the authority to which the superintendents are answerable." So it's back to Square One.

We begin the process again, this time asking for official statements, whereupon the Elysee suddenly awakens and rediscovers its explanations: "Mr

Charles Pellegrini is not here. He does not work for us. He doesn't have his offices here. He has been on detached status from the Ministry of the Interior since 13 September 1982. His mission is to provide liaison between the DGSE [General Directorate of Foreign Security] (Editor's Note: the French espionage service) and the Ministry of the Interior. Is that clear?" Perfectly clear.

The Ministry of Defense had meanwhile also roused itself. The aforementioned press attache said: "Two days ago you asked me a question. I couldn't answer it, because I didn't have the information at hand. It now appears that Mr Pellegrini has been on detached status from the Ministry of the Interior..." and so on. No details as to where he is carrying out his activities. "How can he be contacted?" we asked. "Phone Military Intelligence; they will give you his number." We are by now familiar with the litany: "Don't know him..." and so forth. The Ministry of the Interior, in its turn, at last transmitted its reply: "Mr Pellegrini is on detached status..." and so forth. Not a word, however, concerning the new functions of this superintendent who is theoretically charged with operating a "shuttle service" between Defense and Interior. This also demonstrated a quite understandable prudence, for no one has ever seen Charles Pellegrini at Place Beauvau. And for good reason: he doesn't work there. There is no reason to go there, moreover, for the offices of this former officer of the CRS [Republican Security Companies (State Mobile Police)] are located on Boulevard Mortier, at the headquarters of the General Directorate of Foreign Security. All one has to do is call the DGSE switchboard to verify this fact: the operators will "put you through" without hesitation, but his secretary will not.

It is not to Gaston Defferre that Charles Pellegrini reports, nor is it to the Secretariat of State for Public Security or any high police official. No: he reports to his good friend Major Prouteau. This tandem, moreover, functions superbly; the "supergendarme" is comfortably installed in the office of the president and pampered by Mitterrand, while the other--the aggressive policeman who is ready for any and all exciting operations--directs a staff of 10 civil servants made up of veterans of the Investigation and Intervention Brigade (BRI) and of the Central Office for the Repression of Banditry (OCRB), drawing upon the files of the French espionage service and utilizing its telephone wiretap center housed at the Vincennes gendarmerie headquarters.

The rest remains a secret, for the government is more than stingy with details. Detailing the precise missions of Charles Pellegrini would seem to be beyond its capacities. Moreover, instructions have been distributed: continue to be evasive. The "gunshoe" game is over. We shall not know officially what the superintendent was doing the day of the arrest of the Irish at Vincennes, nor why he made several trips to Corsica. The only explanation offered was that this personage--who is endowed with an amazing gift of ubiquitousness--was in both instances on vacation. So says the superintendent, and so says the government, which even explains: "He has many relatives on the Isle of Beauty."

1092

CSO: 3519/45

PROBLEMS IN POLICE, INTELLIGENCE SERVICE DIRECTION

Paris LIBERATION in French 4 Oct 83 p 15

[Article by Veronique Brocard: "The Eight Men Who Want To Control the Police"]

[Text] In 2 years the number of police superintendents has increased in spectacular fashion. As a consequence of this inflation of the hierarchy, the department heads no longer know what saint they should pray to.

The already troubled police now are disclosed to be burdened with a new problem: the proliferation of their bosses. This entity--which after 10 May did not know whom to look to for leadership (someone was eventually found to represent it and assigned initially to concentrate on decentralization) today no longer knows who is in charge. There are so many who want to give it orders--at the Ministry of the Interior, at the Secretariat of State for Public Security, at Matignon and at the Elysee. These are either presidential advisers or cabinet ministers; they are at least eight in number, and not all of them are "cronies." Listed in hierarchical order, the first name would obviously be that of Gaston Defferre, the cabinet minister in charge of all police personnel. The police demonstrations of 3 June strengthened his credibility, which nonetheless remains tarnished. It was he, for example, whom the prime minister asked to set up a new plan for police reform; it is scheduled to take effect on 15 October. The truth is that in practice the minister of the interior is not as well informed as he would like.

The flow of intelligence from the various services to Place Beauvau is sluggish, and many decisions are taken without its consent. To top it all, the activities of the "cell" at the Elysee remain concealed from Gaston Defferre.

Next in this hierarchical order is Joseph Franceschi. Appointed in August 1982, the secretary of state for public security is less in favor: after more than a year in office he has already made enemies--and in very important places. He and the minister of the interior are at daggers drawn. Each enjoys contradicting the other. The most recent example: one of the two men authorized a government official to give an interview, whereupon the other immediately forbade it. As a minister "on probation," Joseph Franceschi has for the time being saved his own skin. The secretary of state for public security owes this "remission" to the Corsican National Liberation Front (he accused it of having paid 100 million centimes to "secret agents" to liquidate the nationalists).

The third official in order of importance is Pierre Verbrugghe, director general of the national police. When challenged on the day of his nomination--Wednesday 8 June 1983--this former director of personnel and political affairs under Christian Bonnet adopted a cautious policy: silence, and immersion in his work. He fell back on his professionalism and waited for the storm to pass. Caught in the middle between the secretary and the minister--his two superiors--he chose a third voice: that of the Elysee.

It was in fact Gilles Menage who had proposed the name of Pierre Verbrugghe. This adviser to Francois Mitterrand--who had worked in the Giscard era under the orders of this new director of national police--has now also put himself in charge of police affairs. He is intensifying unofficial contacts with employers; investigates the results of investigations; and gives assurances. At his side is another presidential adviser, Michel Charasse. Neither man is a great admirer of Joseph Franceschi.

The influence of these two advisers combined nowhere nearly equals that of Major Prouteau. Blessed with the absolute confidence of the president, this supergendarme--the theoretical coordinator of the antiterrorist campaign--has been given full powers. Operating autonomously as "first in command after God," he involves himself in everything, pokes his nose in everywhere and short-circuits the police services, thereby giving rise--in a number of instances--to a harsh settlement of accounts. (See opposite)

Off to one side one will also find Francois de Grossouvre, a close friend of the president. Through the intermediary of Prouteau and his friend Franceschi, Grossouvre likes to keep informed as to what is going on. He has a predilection for everything that relates to General Intelligence. The last one on the list is Michel Delabarre, chief administrative aide to Pierre Mauroy. While keeping his distance, he sometimes presides over the meetings of the Anti-terrorist Liaison Bureau (BLAT). Created for the purpose of coordinating the work of all the police services, this structure no longer serves any purpose: no one gives it any information, not knowing how or by whom it will be used. The paralysis of BLAT is one example (of several) of the current dysfunction of the police. The multiplication of the decision-making centers has completely discouraged the service chiefs, who no longer "know what saint to pray to." They endure this two-headed leadership (Franceschi/Defferre) while stating cynically, "We used to make our reports in duplicate; now we make them in quadruplicate." They also endure the pretensions of Mitterrand's advisers, who must put in their "two cents' worth." In short, these high officials have only one desire: namely, that the police regain their pyramidal structure and their hierarchical authority (embodied in the minister of the interior and him alone).

The Double Trap of the Socialists

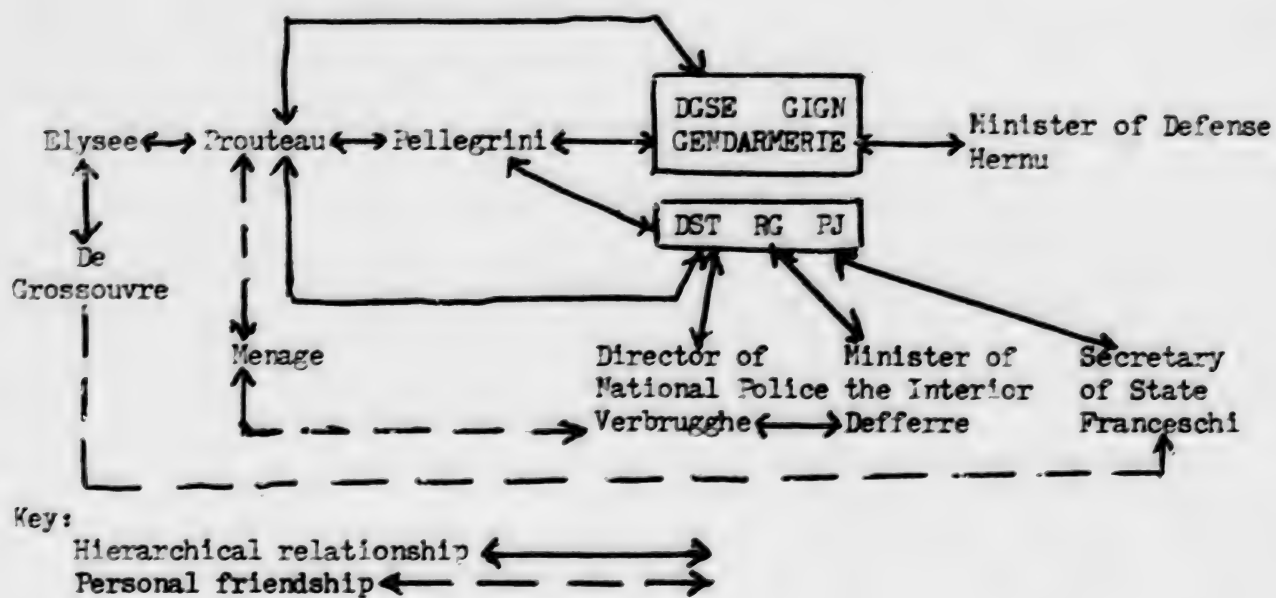
The Irish of Vincennes; Corsica; the floundering antiterrorist campaign; the rivalry among the police services; the gendarmerie and police scandal; and the creation of a parallel "minipolice force"--these are all set against the background of the seditious demonstrations staged by the unionized police who swore that "even if the courts are under the heel of the government, the police will never be."

After 2 years of running the government, this performance deserves recognition. This accumulation of examples of heavy-handed and deviant behavior on the part of the police was, however, predictable--at least for the long term. As the months passed the government proceeded to fall--with its eyes shut--into the double trap that it had set for itself.

In an earlier period--when they were in the opposition--the socialists scorned this institution and pronounced summary judgments upon it, to the effect that the police are a "shady bunch," they aren't "decent," they're difficult to manage. During that period the socialists even desired the dissolution of the CRS [Republican Security Companies (State Mobile Police)] and General Intelligence. Going from one extreme to the other, they are today fascinated by the power of the police. Adviser after adviser wants to involve himself with the police. They are multiplying the decision-making centers, which serve to nullify each other. The net result is that the police are not under control and do as they please. During this second period--now that they are in power--the socialists have attempted to control these very police whom they deem to be disloyal, recalcitrant and hostile to the new government: hence the establishment of this Elysee "cell" and its astounding results. Its balance sheet shows that the government is incapable of controlling this very brigade under the commander whom it had itself installed in office.

One must also add the chronic blindness of the titular heads of the police. They have never taken seriously any of the indications of rebellion and disorganization within this entity. They chose not to heed the warnings--a thousand times reiterated--so that they might continue to do just as they pleased.

On that famous Friday 3 June of this year, however, they were all awakened from their long-standing unconcern when 2,000 police personnel paraded in the streets to demand the resignation of Defferre and Badinter. It apparently took this "shock treatment" to get the government to acknowledge the urgent necessity of police reform. And later, it apparently took the Vincennes affair for the socialists to become aware that something was not quite right in Prouteau's kingdom. And in the end it apparently took this double failure (which was highlighted by the entire press) for everyone to become aware of the need to restore "order in the house." Everyone wants this to happen, even the service chiefs, who are tired of being bossed around by a "Mexican army." Everyone hopes that the forthcoming measures to be taken on behalf of the police (on 15 October?) will help to achieve that objective.



10772
 CSO: 3519/45

ANTI-TERRORIST COMBAT GROUP NOW OPERATIONAL

Oslo AFTENPOSTEN in Norwegian 8 Oct 83 p 3

[Article by Thorleif Andreassen: "Three Years' Intense Training; Anti-Terrorist Unit Operational"]

[Text] After six years of work on a political and military top plan, Norway is finally well prepared against sabotage, seizure and terrorist actions: A professional special military unit is now operational. This preparedness measure has been developed with the particular idea of protecting our vulnerable oil installations on the continental shelf. The unit consists of hand-picked specialists in anti-terrorism and is very effective. The government has also not been tight with money as far as this elite unit is concerned, which has been built up behind a wall of silence.

It is the government's hope that when the outside world learns that we have an effective anti-terrorist force it will discourage terrorists from initiating actions. At the same time the special unit is prepared to put out of commission groups which nevertheless attempt or carry out terrorist acts.

Defense Minister Anders C. Sjaastad recently watched a demonstration by the specialists. "I cannot understand how it can be done better. The realistic demonstration was very impressive," Sjaastad states and continues, "We want the Norwegian people to know that we have done whatever is possible to prevent sabotage and terrorism against targets in Norway. But with regard to the group's effectiveness and security, we have to be reserved regarding information about the unit's tactics, identity and what it is capable of."

The authorities have an obvious obligation to see to it that we are well prepared to prevent acts of sabotage in our country. Experiences from major parts of the world emphasize the need to be cautious in advance in this regard. A number of semi-military operations have been carried out against civilian targets in a number of countries--taking of hostages, seizures, bomb explosions and other terrorist activities are well known.

The Norwegian police has long since had its own anti-terrorist group. And the new special military unit is, upon request by the police and by a decision in the government, to turn out when the police's own resources are not sufficient.

Leadership of such actions is to be under the chief of police in the district in question.

During development and training of the special unit there has been close cooperation with the very best of similar units in NATO countries. It is a purely Norwegian force, but we have drawn on the experience of others in order that we ourselves will be as best prepared as possible. According to what AFTENPOSTEN has reason to believe, English specialists from the so-called SAS forces, among others, have been strongly in the picture during development of the Norwegian special force.

The unit includes about 40 junior and non-commissioned officers and recruits. The force was recruited from the Defense Department's different commando units. Extremely strenuous demands are made on the soldiers, both physical and psychological. They must be able to operate under all conditions. They must have already had special military training in order for them at all to be able to receive their demanding training in the force.

In May 1980 then Defense Minister Thorvald Stoltenberg stated that the Defense Department planned the organization of such a special force. It was to assist the police in major accidents, sabotage, seizure and other terrorist activities at installations on the continental shelf. The Willoch administration saw to it that this unit got the necessary equipment and training. Since 1980 there has been complete silence about the special force, which a few months ago was completely operational.

In a military conflict or crisis situation it is, of course, still the duty of the combined NATO defense force to prevent any attacker from gaining control over the Norwegian Sea and North Sea. Defense of the oil installations thereby falls under the general naval strategy.

Norwegian rearmament against acts of sabotage in peace time is not sensational, but rather an inevitable measure. But it is no less extremely reassuring.

8985

CSO: 3639/5

GOL ON REGIONALIZATION, ECONOMY, EUROMISSILES

Paris LE MONDE in French 8 Oct 83 pp 17, 24

[Interview with Interim Prime Minister Jean Col by Daniel Vernet; date and place not given]

[Text] [Question] The death of Leopold III brought back to mind the tragic pages of Belgian history, but today the monarchy appears to be the country's sole element of unity. In your opinion, is this assessment correct?

[Answer] I believe Belgians still have the desire to live together and are undoubtedly doomed to do so. There are so many historical, political, social and economic ties that it is truly a catastrophic view to think that this country is on the verge of a breakdown. Although the monarchy is an element in the country's unity, that is not a reason to neglect the regional factor, which not only appeared in the institutions in 1980, but is now a strong element in our citizens' psychological makeup, with some advance for the Flemish section of the country as compared to Belgium's French community and the Walloon region. I believe, however, that it is only a question of time, and that community and regional awareness will combine with Belgium's desire to unite.

The 1980 institutions gave way to these factors since currently, Belgium is not only a state governed by a central government and a parliament and by ministers appointed by the king on the basis of the political balance in the Parliament, but is also two large communities and three regions, two of which at least are organized, namely, Flanders and the Walloon region. Although Brussels should also be an organized region, it has not yet been able to become one for political reasons.

[Question] In your opinion, is it politically possible for Brussels to become the kingdom's third region?

[Answer] The Constitution makes provision for it, and I hope that when the new state reform is completed, the Brussels problem will be settled and the jurisdiction of the regions and the role and influence of the central state will be defined. I am sure that this reform will not take place, and should not, during the present legislative session, since economic and financial recovery has priority over the institutional debate for the time being. Furthermore, this serves the interests of all Belgians, whatever their region or community. However, we cannot avoid a further constitutional debate and

furthermore, the government decided to assign the preparations for it to a study center for state reform. The next legislature will have to define both the jurisdiction of the regions and the communities (some are thinking of expansion) and the role of the central state, for there is no nation, even and above all a federal one, in which the central state does not have real weight. It will be necessary to define the final institutions of the Brussels region at the same time, or we will be unable to extricate ourselves from this situation.

[Question] Is Brussels' problem political, geographic or linguistic?

[Answer] The Brussels problem is very complex. Brussels is simultaneously the country's capital and a region which has its own economic and commercial interests and a lifestyle shared by its residents. This region has a very large majority of French-speaking people, a small minority of Flemish-speaking people and also a large number of foreigners, international and European government employees, and immigrants.

How can we guarantee the national, and even the international, role of Brussels? What is the role of Brussels as the capital of the country, as a large international city, and as the headquarters of European and Atlantic institutions? In the interests of its residents, Brussels should be organized on the basis of the democratic power of its majority, while its minority must also be protected. There remains the problem of delimiting the Brussels region, which is both a concrete area (what is the extent of the authority of the future institutions of Brussels?) and a human sector (what can be done with the minorities and sometimes even the French-speaking majorities in the communes outside the nucleus of 19 Brussels communes?). The problem of the outlying Brussels areas and urban expansion has some extremely emotional aspects.

A Single Institution

[Question] When you were a leader of the Walloon Rally, you declared that a real regional authority was needed for the economic development of the Walloon region. What is the current situation?

[Answer] The Walloon region is not nearly as well-equipped as the Flemish community and region to deal efficiently with the crisis, insofar as the French-speaking community has not to date--I hope it will change--had the wisdom to merge community and regional institutions and to establish a single institution to administer culture, health, training, education and economic and social affairs for the French-speaking Brussels residents and the Walloons. Such a merger would give our community and the Walloon region greater strength, would prevent the waste of financial resources, and would put the Belgian state back in balance.

Secondly, the Walloon region and the French community should have had a single capital in Brussels. The Walloon executive branch did not want this. This was a serious error for reasons both of reputation and efficiency. It is better to be close to the central authority, not in order to be dependent

on it, but to oversee the necessary balance more closely. As for the Flemings, they understood this very well.

In the Walloon region, which, luckily, currently has a proportionally constituted executive branch, i.e., the three great political families are represented, an important segment of the population fears development toward more regionalization and autonomy, because it feels that the region might be handed over to the almost absolute power and authority of the joint trade union front.

Most of the Walloon people believe it is a choice between two evils--a national state in which the weight of Flanders is particularly dominant, or a Walloon region subjected to a very intolerant leftist power.

[Question] During the public service strike, the Social Christians seemed more flexible than the liberals. Do you not fear tensions within the coalition?

[Answer] In a vehicle, there is always a brake and an accelerator. The government wanted to maintain the goals it had set itself, to balance the budget without credit in addition to what we had scheduled in July, and at the same time to avoid a clash with the public sector. We therefore wanted to resolve the conflict through negotiation. It seems inevitable and normal that some were more interested in keeping to the desired budgetary targets, while others pushed more toward negotiation. What is important is that both goals were achieved.

[Question] The strike, however, revealed the unpopularity of the austerity policy. Will you draw conclusions from it?

[Answer] We have no other choice. Neither Belgium nor any other European country can launch recovery alone, particularly recovery through consumption. If this recovery was a disappointment in the large European countries, to an even greater extent Belgium, with its small domestic market wide open to foreign trade, is a country which cannot afford isolated recovery.

Our margin for maneuvering is extremely narrow. We pursued the only possible policy, which was to restore competition among companies, to rely on the development of exports, and to put ourselves in a more favorable position with a view to eventual international recovery. Now, in late 1981, when this government came to power, Belgium had already reached the danger level for all the basic balances, we tried to get back on course. We cannot change our policy on that point, or we would render useless the sacrifices already made, and we would be again headed toward the abyss.

However, we have learned lessons from certain events. On the one hand, the government must transmit its message more clearly. Without making this a pretext for indecision, it must also prepare better for certain decisions through dialogue and agreement.

In another connection, the weak point is that the public does not always understand the need for sacrifice. In none of the European countries is the

public sufficiently aware as yet of the seriousness of the crisis. Many people believe there should be a real balance in the sacrifices made, and it is obvious that each of the pressure groups tries to demonstrate to its members that it is making, if not the only effort, at least the main one, while the other sectors are doing nothing. If there was an imbalance in the required sacrifice, however small, the necessary remedies should have been provided.

[Question] You have often been described as a supporter of Mrs Thatcher's policy. The reduction of trade union power plays an important role therein. What part does it play in your strategy?

[Answer] I personally think that Belgium has experienced a real invasion of the state by the widest variety of pressure groups, and not only from the point of view of the trade unions. One could say that a real feudal system shared by the various pressure groups has been established within the very heart of the state, and this certainly does not facilitate rapid decision-making, especially in periods of crisis. Those who are interested in the jackpots are inside the slot machine itself, and do not even need to try their luck. Consequently, one of the ills of Belgian society is precisely this internal colonization of the state by pressure groups, the trade unions being one of them.

One of the innovations made by this government was the reduction of the paralyzing effect of "social agreement" and the clear definition of its limits: the broadest, most open discussion possible and the search for agreement among all the social partners. However, this does not mean they should make decisions for the government or paralyze all decision by prolonged argument, which did occur under some previous governments. Finally, a new factor in this strike, which gives me no reason for satisfaction, is the scattering of the trade union action. No democrat wants either the extreme politicization of trade union action or splintering or corporatism, because they inevitably lead to uncontrolled actions, and it is in the interests of any serious government to have responsible interlocutors.

[Question] What deadline did you set for the success of your austerity policy?

[Answer] It is necessary to see first what has been accomplished. We have had rather spectacular success in reestablishing the competitive capacity of companies, and in the trade and payments balances. Two important sectors for which results were slower in coming than we had anticipated, because of the international situation in particular, are the public finance deficit and the unemployment rate. With regard to public finance, we succeeded in stabilizing the deficit, which had almost doubled, from 6.7 to 12.7 percent, between 1979 and 1981 as compared to the GNP. This was amazing. A few more points and we would have found ourselves in the same situation as the countries with the worst deficits and the heaviest debts in the world--an obviously intolerable situation. This race toward the abyss has been halted, and we are trying to reverse the course. This makes difficult measures necessary. Employment is, quite justly, the main problem preoccupying everyone. Unemployment is developing more slowly than in other countries, which is a small

consolation, but one voiced by your government. Employment has stopped declining. We hope to stabilize it late in 1984.

In view of this, I am sure that there will be no recovery policy, even a selective one, in a single European country, for these efforts cancel each other out and place those who attempt them in an even worse situation. We are hoping either for recovery abroad, and this is one of the reasons we are so strongly European, or for a concerted recovery by the various European partners, because the effects would then be cumulative.

[Question] The EEC members have never succeeded in harmonizing their economic policies. Do you believe that conditions are currently better?

[Answer] The more we decline collectively, the worse our situation becomes as compared to that of the Americans and Japanese, and the more aware we will be likely to become of the need for an economic policy which is not only agreed upon, but is, in the final analysis, a joint one on certain issues, whether they be recovery, public markets, new technologies or dialogue--Europe speaking, if possible, with a single voice, with the South or the United States.

Euromissiles and Pacifism

[Question] Belgium is scheduled to receive American Euromissiles in 1985. Are you expecting a "hot season?"

[Answer] In any case, even the most extreme movements are always more moderate in Belgium than elsewhere. To speak of a "hot season" would be to exaggerate, but we are perfectly well aware that a pacifist movement opposed to the deployment of the missiles will develop in all the European countries. I am strongly opposed to that movement. I believe that it plays on generous, sometimes somewhat naive, impulses, while also involving considerable manipulation. These movements serve mainly to destabilize the collective awareness of the Europeans and Westerners, in a vast phenomenon which goes far beyond the demonstrators, to the great benefit of the USSR. These demonstrations, above and beyond their objective, have an effect exactly opposite to that desired--that is to say, they do not serve the cause of peace. The reason for this is that, since World War II, peace has been guaranteed by the balance of forces between the two blocs, and in particular, by the defense of Europe, not, unfortunately, ensured by the Europeans themselves. I say unfortunately, but the Europeans have never really wanted to pay for their own defense. It is obvious at this stage that this type of demonstration has the basic effect of making us more vulnerable and making our opponent more exacting, thus endangering peace.

[Question] The Belgian government continues to support the dual decision of NATO.

[Answer] We do not have to make a final decision about actual deployment until 1985. Belgium endorsed NATO's dual decision in 1979. It hopes that the Geneva negotiations will prevent our having to deploy these missiles, or

that only some of them will have to be installed, if the Soviets begin to dismantle some SS-20s. However, we also stated that should the negotiations in Geneva fail, we will do our share in the effort jointly decided upon by the Allies.

[Question] Do you think that the French and British deterrent forces should be included in the Geneva negotiations, if that is a condition for a compromise?

[Answer] Until now, the Belgian government has not been in favor of it.

[Question] One last question is inevitable. What is the state of French-Belgian relations, and what do you expect of President Mitterrand's visit?

[Answer] Relations between Belgium and France have traditionally been excellent and natural, for two reasons--because they are close neighbors and they are united by a common history. Perhaps this is more specifically and subjectively true in the French-speaking section of the country, where there is a spiritual and intellectual community with France. Therefore we will welcome President Mitterrand not as a foreign chief of state, but as a close friend. This is because France has been a close friend, in both happy and difficult moments, a fact all Belgians remember with emotion. Our bilateral relations are very good and we have quite a few common interests to defend within the European framework, on which our views are very close. Some bilateral problems, however, will be discussed, including the infrastructure, nuclear cooperation, and in particular, the file on the Chooz nuclear plant.

5157

CSO: 3619/9

KYPRIANOU INTERVIEWED ON INTERCOMMUNAL CRISIS

Bonn DIE WELT in German 18 Oct 83 p 18

[Interview with Cypriot President Spyros Kyprianou by correspondent H. H. Holzamer: "Partition Means Conflict for Entire Region"; date and place not specified]

[Text] DIE WELT: Mr President, almost 10 years have gone by since the invasion and occupation of your island. What is your assessment of the current situation? Are there any positive signs for a solution to the problem?

Kyprianou: The first thing I would like to emphasize is the incomprehensibility of the fact that Cyprus has been occupied for almost 10 years and that the international community of nations has not been able to do anything about it until now. Above all, it did not succeed in dissuading Turkey from its philosophy of partition, the biggest obstacle on the road to a peaceful solution to the Cyprus problem.

Although we are not exactly bubbling over with confidence, we realize that right now the interest in the Cyprus question has been revived and that the international support is increasing in view of a resolution recently passed by the UN General Assembly.

It is of great significance. Not only because the resolution is extraordinarily positive--the strongest, incidentally, that has ever been adopted by the United Nations--but also because the number of votes in our favor as well as the participation during the debate before the General Assembly was impressive. Furthermore, bilateral contacts with various governments proved that the Cyprus question is in the center of attention.

As you know, many years of intercommunal talks did not produce any results in spite of constant concessions and the demonstration of good will on the part of the Cypriot government. As a consequence, we welcome the intention of the UN secretary to become personally involved in the problem in view of possible progress during the negotiations. That is the current state of affairs.

DIE WELT: Not long ago you said that one might be considerably closer to a solution if the United States had made full use of its diplomatic weight. On the other hand, you are not exactly accomodating the United States either. For instance, you are not offering them any military bases.

Kyprianou: As a matter of principle we are against military bases of any kind. Apparently the impression arose that the United States asked us for such bases. In reality, however, we have never been approached with this request.

DIE WELT: Washington's main interest is the global security of the United States. And in this context it might be possible that Turkey is more important to Washington than Cyprus is. Do you not believe that the European Community--and Germany in particular--could play a more active role with you in mind?

Kyprianou: Of course. What I am saying is that the United States is in a position to influence Turkey in our favor. I also believe that a peaceful Cyprus is in Washington's interest. And if we want to achieve a permanent peace on Cyprus, it can only be done by basing it on a permanent solution to the Cyprus question and not on a partition of the island.

Because partition means conflict. It certainly does not only apply to Cyprus but to the entire region. In case a new Cyprus crisis should break out, it would not be limited to Cyprus. No doubt, Greece and Turkey would be drawn into it, which would not at all be in the interest of the United States.

Before I reply to your question concerning the involvement of the European Community, I would like to say something else about the role of the United States: The weapons that were used by Turkey came from the United States. They had been supplied to Turkey in its capacity as a member of NATO. But these weapons--airplanes, tanks, bullets etc--were used against Cyprus. It is not only a violation of international but also of American law.

I am sure you know that I mentioned in another interview that the U.S. taxpayer is supporting the occupation of Cyprus. As a result, it is not only a question of U.S. interests but also of Washington's responsibilities toward Cyprus. And Washington must do everything possible to end the occupation of Cyprus.

DIE WELT: Nevertheless, during the last 10 years there has been very little reaction within the U.S. government concerning Washington's responsibilities as well as the violation of U.S. law by Turkey.

Kyprianou: That is correct. You may remember that an embargo was introduced against Turkey. But during the entire time the Washington government assured Turkey that this embargo would be lifted. I do not want to make any further comments on this matter, but I would like to emphasize one more time that a completely independent and peaceful Cyprus is in the interest of the United States, of Greece, Turkey, as well as of all the countries in this region. This goal can only be achieved, however, without Turkish troops on Cypriot soil.

Now to Europe: Of course, the European Community can help, especially the FRG because of its close relations with Turkey. Furthermore, the European Community will have to show an interest in us because Cyprus is associated with the community. We are striving for a tariff union and full membership. And we hope to be able to begin negotiations soon concerning this matter.

DIE WELT: Opinions vary in your country concerning the solution to the Cyprus problem. In general, however, I get the impression that every politician in your country agrees with you on this matter. Is that so?

Kyprianou: That is correct. There is agreement on the main issue. There are only differences in opinion on questions concerning details and, under certain circumstances, on the tactics to be used.

Now let us talk about the concessions that were made on our part. In 1977 the late President Makarios submitted proposals that really went very far. The quasi-acceptance of a federation on Cypriot soil was a very big concession. In the past it would simply have been inconceivable and it has always been out of the question as far as British institutions and experts during the colonial times had been concerned. We even went as far as submitting a geographic map, assuming that there would be a responsible person on the Turkish side which, however, was not the case.

Now the question arises: What do we want anyway? We accepted the idea of a federation and would like to negotiate about this concept. But if the Turks continue to insist on their idea of partition, of course, it will be a different matter.

The deciding factor is not what we can do, because on our side everything conceivable has already been done. Rather, it is imperative that Turkey make a radical change in its position on the Cyprus question. And when I mention the Turkish position, I am referring to the Turkish government in Ankara. Because, no matter how much Denktash boasts, in the final analysis Turkey makes the decisions.

And that is unfortunate, because in my opinion the majority of Turkish Cypriots would not support the politics of Ankara if the Turkish troops were not here. Since the Turkish Cypriots are not free at the present time, they cannot say what they want. But I am sure they know themselves that their welfare and prosperity are tied to the unity of the country and its people.

DIE WELT: What do you think of the referendum which Denktash wants to conduct?

Kyprianou: I am not sure that he will actually go through with this referendum. On the other hand, however, I am convinced that it would only complicate our talks even more.

Of course, such a referendum would not help him very much, because I cannot imagine that the majority of the nations in the world would accept another partition, which would inevitably lead to additional conflicts.

DIE WELT: Could you imagine that in view of a referendum the majority of the Turkish Cypriots might say: We do not want to be separated from our Greek fellow-countrymen?

Kyprianou: Unfortunately the people will not have an opportunity to express themselves in this respect. If there were no Turkish troops on the island, it would be quite a different story. If you talk about a referendum and self-determination, you cannot mean self-determination of two separate national communities. There is no such thing. If a concept like that were applied to the entire world, I am sure that every country would be split today, including the United States of America. It applies especially to those areas where ethnic criteria play a role.

DIE WELT: Something that is amazing is the peaceableness of the Cypriot youth. You have large British military bases as well as Turkish occupation troops. And in spite of it the young people are politically unaggressive. How long, in your opinion, will this continue?

Kyprianou: That is difficult to say. But, please, do not believe that our youth is politically uninterested. On the contrary, the young people have a burning interest in politics. But you see, we can only pursue our goals with peaceful means, in order to accomplish in the end what is due to all of us.

Conditions on Cyprus are indeed provocative: The people see their houses beyond their demarcation line and they cannot enter them. In part, their villages are only a stone's throw from them. In spite of it they are not permitted to go over there. It is beyond the comprehension of any human being.

But we are still hopeful and firmly believe in a peaceful solution. And we are willing to use all of our capabilities to accomplish this goal.

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CSO: 3620/40

ROLANDIS ASSESSES CYPRUS PROBLEM IMPASSE

Athens I KATHIMERINI in Greek 16-17 Oct 83 p 5

/Article by Former Foreign Minister of the Republic of Cyprus Nikos Rolandis:
"Nationally Acceptable and Realistically Possible Positions on the Cyprus
Question"/

/Text/ On 30 September the Cypriot government gave its response to the memorandum of the UN secretary general. The response was negative, despite the fact that there were--and still are--efforts being made to beautify our "NO." But no matter how much one tries to embellish a "No" he cannot make it mean "Yes." Denktash--who has watched since the middle of August the barrage of the negative reactions of the /mainland/ Greek and Greek-Cypriot side to the initiative of Perez de Cuellar--stated that when he visited the UN secretary general he saw the funeral of the initiative. Our rejection, unfortunately, gave him the pretext he wanted. Not only did he also give a negative reply but he unleashed with his customary arrogance an attack and threats, sitting comfortable and safely on the tanks of the Turkish occupation forces.

Now where are we? Probably nowhere. Probably at the point we started years ago. Probably at the point where the countdown for nationally unacceptable developments will begin.

The blunder of 20 September was great and nationally inexcusable. The initiative of the UN secretary general was considered by the international community as the most serious development since the tragic events of 1974. The "guidelines" /he/ proposed did not lead to partition, nor should they be rejected for national reasons; they were clearly within the context of the federation (except for those who speak about federation but they do not know what it means).

This initiative--significant, widely supported, and encouraged by us--bears today two knife stabbings in its back. The first blow was dealt by us.

It is not against the national interest to analyze the big mistake of 30 September. The opposite is true. The analysis of the mistake does not serve the interests of the enemy; it is the mistake that helps the enemy. The analysis helps us to reach certain conclusions, to learn--if we are capable

of learning; to prevent the situation from getting worse if that is still possible. If we had accepted on 30 September the /Cuellar/ initiative (as initially given to us, not as we made it) Denktash would have one of two choices: he would either accept it, too, or he would reject it.

If he accepted it we would start a real and not a fictional dialogue. If, on the other hand, he rejected it, the secretary general, encouraged by our acceptance, would have many levers and mechanisms to set in motion to change Denktash's views. Even if the secretary general failed in his effort, Denktash would be isolated and exposed and would not dare or have the way (in spite of his truculence) to threaten about declaring a separate state.

Today, after our handling /of the situation/, we face serious danger, as everyone admits. The current situation reminds one of what I wrote in my letter of resignation on 21 September: "who will assume the responsibility for the indices /guidelines/ which were lost and for the national dangers of the empty, new development?"

The possible proclamation of a Turkish-Cypriot state is not a mere change of title as some have tried to tell us recently. It is a real and decisive political act which overturns the current situation and undermines the infrastructure of the Cypriot state. As the president of the republic correctly stated, it is necessary to have unity and cooperation; but cooperation not around the mistakes of August and September which led to the present situation. It is necessary to have unity around a course which leads to sound national goals which are also feasible and realistic. Which without abandoning what is nationally acceptable approaches what is realistically possible. Unity not around big words but around historic decisions.

I believe that before it is too late we should go back to the secretary general. Since the president of the republic said in his press conference that we neither rejected nor accepted the guidelines we have the opportunity to go TODAY not TOMORROW to the secretary general to tell him that we accept the start of negotiations in the framework of his guidelines--under the condition that the other side will make the same commitment--stating at the same time our position on one or two of the principal issues (such as the withdrawal of the occupation forces).

We cannot wait for the secretary general to move. Because Secretary Cuellar has many other matters to deal with and cannot give us priority all the time; in addition he has had the recent traumatic experience with us. A trauma which was dressed with a bandage marked "positively and constructively." The solution of a positive approach to the secretary general on our part is the best solution. It will restore a proper course. It will show that our good will is a real and not a mere verbal expression. It will show that we can take decisions for a political compromise provided that the other side is willing to take the necessary steps for establishing the Federal Cypriot Republic.

I am sure that if we gave the secretary general the green light he would move "heaven and earth" to secure the acceptance of the guidelines by Denktash, even at this late date. And since our acceptance will be strictly subject to a similar acceptance by Denktash there is no danger that we may make a "political decision" without a corresponding "political decision" by Denktash. Such a development would be better than a Kyprianou-Denktash meeting (although such a meeting should not be ruled out). Summit meetings require careful preparation--and in spite of all precautions something unforeseen may lead to failure. And a failure at the summit can be tragic. In any event the most a summit meeting can achieve is to accept the guidelines.

We all know the difficulties raised by the Turkish side to the solution of the Cypriot problem. This is one more reason for us to search for a way out of the impasse. If we say: "They don't move, we don't move" we simply play the game of the Turks--the game of eroding our positions with the passing of time and consolidate what they achieved by fire and iron. The secretary general proposes a new beginning with mutual concessions; a beginning which is within the framework of the federal solution we have already accepted. We must say "yes" even now, albeit so late.

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CSO: 3521/34

AKEL CRISIS IN WAKE OF ROLANDIS RESIGNATION

Nicosia | SIMERINI in Greek 30 Sep 83 p 3

/Article by Kh. Kharalambidis/

/Text/ The AKEL leadership is in a very difficult position following the recent political developments which led to the resignation of /Foreign Minister/ Rolandis. AKEL has reached the point where it does not know what to say or do. It disagrees with the president's handling of the Cuellar initiative and lines up with the Democratic Rally /DISY/. It accuses Kyprianou that he altered the Cuellar memorandum, that he rejected the three guidelines, and that he does not tell the truth. On the other side, it continues to support him.

The AKEL leadership does not dare denounce the "minimum program" and to dissolve the "Popular Front." The reason is obvious. It cannot suddenly tell the party's followers and members that the president does not keep his word, and he is irresponsible and incompetent, because not long ago, from one day to the next, it had transformed Kyprianou from an unwilling leader to a worthy one, and made its members accept him.

For this reason the AKEL leaders now try spasmodically to cover up their mistakes and set their party mechanisms in motion into two directions: First: To show that under the conditions prevailing then /before the elections/ they did right in supporting the Kyprianou candidacy. They cannot do otherwise. They fear the reaction of cadres, members and followers of the party. They fear the outcry. And the only way they can avoid it is by preparing them psychologically. They know how naive the members are and these leaders are sure that in the end they will succeed in justifying their actions.

Second: To undermine Kyprianou. They have already started his political undermining with a planned campaign from the leadership to the cadres, the members and the followers; to be ready to accept a possible end of the Popular Front.

But confused as they are, the AKEL leaders also attack Kliridis although their views on the Cuellar initiative coincide. They also attack the press of the Right and accuse it of allegedly "publishing prophesies about political realignments;" that "instead of taking care to strengthen the Domestic Front,

it is anxious to see the collapse of the democratic cooperation." And that "instead of trying to deal correctly, to use positively and bring about the fruition of the Cuellar initiative, it waits for errors and mishaps to exploit them with petty selfishness..."

The AKEL leaders do not cease to talk about critical times for the future of this country and to underline the need to deal with the serious problems of Cyprus in the domestic and foreign field in a spirit of responsibility and patriotic unity. But they do not explain how to have such a responsible handling of the country's serious problems. They do not because they cannot.

So they limit themselves to grandiose slogans to cover their own irresponsibility. They blow hot air to cover their own guilt for Cyprus' present plight. They talk about dangers to create new confusion among the members and followers of AKEL.

But the AKEL leaders move further and issue appeals to all other parties and political leaders "to face up to their historic responsibilities before the people." When? At the very same moment they accuse and insult DISY while they agree with it on the Cuellar initiative; at the present they do not dare dissolve the Popular Front, while they accuse Kyprianou of changing the Cuellar memorandum and of debunking his initiative. What does it all mean? It is not difficult to tell: The AKEL leadership is so confused after being fooled by Kyprianou that it does not know what it is saying or doing.

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CSO: 3521/40

ANALYSIS OF KYPRIANOU, AKEL DESIRE FOR EARLY ELECTIONS

Nicosia I SIMERINI in Greek 27 Sep 83 p 3

/Article by Savvas Iakovidis/

/Text/ The Cuellar initiative has not only caused confusion in the Cypriot Hellenism--it also triggered developments and actions which point toward early presidential elections. There are clear indications on this, not only from the president of the Republic but from his key partner, the AKEL, as well. At the same time, clearer political and partisan coalitions have begun to emerge. The indications for early presidential elections started from a statement by Kyprianou. Speaking last Friday at a press conference in the presidential palace and in response to a question, he said:

"Even if it were possible (to have a dispute with AKEL and to end the democratic coalition) it would not mean that I would change my position in the face of such a situation since a national issue is at stake. I would not change views for my sake. Certainly I would not give up the fight. I would try to find out exactly what the people want (*italics supplied*)."

In response to the Kyprianou statement of 19 September and to the above-quoted statement, AKEL, through Sunday's KHARAVGI, returned the ball. KHARAVGI wrote:

"Knowing very well that the overwhelming majority of the Cypriot people supports without reservation the acceptance of the Cuellar memorandum and the three guidelines as a framework for the intercommunal talks, President Kyprianou should have adopted this position and should have replied positively to the questions of the secretary general in the 4th paragraph of his memorandum. It would have been more democratic and would have assured the greater unity of the Cypriot people and of the Domestic Front in such critical moments. Of course, if someone doubts that the overwhelming majority of the Greek-Cypriot side favors the acceptance of the guidelines so that the intercommunal talks can truly start again, he can easily find out in the most indisputable manner."

After the fluidity of the last few days, the political scene has begun to change and take form. We see an astounding reversal of alliances and coalitions. The small party of Lysaridis, Tassos Papadopoulos, Mikhailidis, and

the Archbishop have sided with the Kyprianou policy. Lysaridis, who was spitting fire against Cuellar and his "partitionist" and "catastrophic" initiative, and who accused the president of following a dangerous policy, suddenly changed position. He now joins Kyprianou and gives his blessings to his policy. Tassos, who on August 28 had called for the resignation of Kyprianou and his government "if they are unable to hear the voice of the national consciousness," also changed colors. Today he praises the president's "nationally responsible policy."

But one thing that cannot pass unnoticed is the revealing attitude of the Kossis newspaper AGONAS. Of course, we knew this newspaper played the role of a Trojan horse within the ranks of DISY, causing more damage than its opponents. But now Kossis has put on unabashedly the colors of Kyprianou. He has gone too far. He now wants to be more royalist than the king. Now he tells AKEL: "Kyprianou has 5 years in office, plenty of time to get ready and to react." How AGONAS understands this reaction was revealed yesterday, for Kyprianou's sake.

"President Kyprianou warned certain ministers to end their contacts with leading cadres of a certain party--which he did not identify--not to promote its theses or serve its objectives which are in opposition to the governmental policy thinking." The impression is that this would help them keep their posts in the case of a cabinet reshuffling. The implication is clear. The article implies AKEL and the ministers who are friendly to it.

Kyprianou wishes to move things to an election to prove that the people are with him and approves his policy. He is not going to do it now. He will plan it and announce it when he will be politically and as a party leader self-sufficient and free from AKEL. On the other side, AKEL wants to speed up the necessary actions for early elections because it realizes that Kyprianou is planning to form another PASOK in Cyprus so that with the help of some small parties as allies to kick out and throw away the AKEL yoke.

The next few days will be full of developments, fermentations, and interactions. To go to the polls under the present conditions is a daring act. It will show which one of the bold ones will prove right and which ones will founder.

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CSO: 3521/40

EREN ARGUES RIGHT TO INDEPENDENCE FOR TFSC

Istanbul GUNAYDIN in Turkish 17 Sep 83 pp 7,9

/Article by Ambassador Nuri Eren: "Turkish Federated State of Cyprus Must Be Granted Right to Independence"/

/Text/ Off the southern foot of India lies the nation of heavenly tea formerly known as Ceylon and now called Sri Lanka, where tragic events are occurring, events hardly foreign to us. The Tamil community, which constitutes 20 percent of the population of Sri Lanka, which gained its independence after World War II, has been attacked by the majority Singhalese. Many people have died, their industries, businesses and homes destroyed, and thousands of families have been left destitute.

Like the action of Makarios against the Turkish community of Cyprus in 1961, the Singhalese majority intends to subjugate the Tamil community. To combat this, the Tamils are trying to bring the matter before the United Nations. However, as the Cypriot experience has shown, the United Nations has no power in this regard.

International Life

International life, despite the United Nations, is guided not by law, but by faits accomplis. Even the new secretary general complained in his latest report of the organization's ineffectiveness in resolving international disagreements. Only the Turkish bombing stopped Makarios' campaign of annihilation against the Turks in 1962. The years of talks at the United Nations failed to alleviate the victimization of the Turks one whit. On the contrary, they were a screen for Makarios' preparations to eliminate entirely the Turkish presence.

In 1969, the United Nations could not even make Makarios return the weapons he had imported in violation of provisions of the agreement creating Cyprus a free state. This is the normal state of things at the United Nations. In addition to its indifference towards the Russian occupation of Hungary and Czechoslovakia, for example, it made not the slightest move against India's annexation of Goa and invasion of Kashmir.

Traditional Order Unchanged

If one were to make a realistic assessment, the United Nations' traditional order of might, not right in political disputes has not changed. It has only provided an international forum for the victims of injustice.

Turkey bore the painful experience of this from 1962 until 1974. We were able to give Turkish Cypriots some respite only after taking active charge of the situation through intervention. Yet, despite our de facto rule, we have encountered only obstruction, not help, from the United Nations.

In retrospect, at the macro level, Turkey has achieved great success in Cyprus in preserving, on the one hand, the Turkish community on Cyprus and, on the other, the strategic interests of Turkish territory.

This outcome was achieved outside the United Nations between Turkey, Greece and Britain.

By recognizing the equal rights of the Greek side, Turkey added value and validity to the outcome.

There is a great deal of truth in this, but Turkey is among the top 20 of the 155 world states as to geography, population, economy, culture, social conditions and--important as all the rest--background and experience as a state and a nation.

"Unable to Exert Our Influence"

For all these reasons, Turkey has a political and strategic impact in the present world conjuncture out of all proportion to the parliamentary scoreboard at the United Nations.

Turkey has been unable to exert this influence since the 1960's. Turkey has, on the whole, been timid and tongue-tied in its foreign relations. It has been passive to the course of global politics, just as it has watched developments involving its own region and strategic security as a mere spectator.

This article is not the appropriate place to analyze the causes of this. But, in sum, we cannot place the blame on our professional diplomacy.

"Why a Paper Tiger"

Turkish diplomacy has, with professionalism, defended the goals defined by our national policy with the knowledge, dignity and confidence befitting the historic tradition of the Turkish state. With its professional aptitude, it has enabled a foreign policy devoid of a basis in the true power of the nation and the state to gain a greater worth than it deserves.

We have already described the spirit of post-1960 foreign policy as tongue-tied and timid. The late King Faisal once expressed the outside world's view of this when he asked us querulously: "Why is Turkey a paper tiger?" Its timidity is, perhaps, a leftover from World War II.

Most likely, however, its timidity stems from government oriented towards domestic policy in the political cognition dominating Turkish policy, government uninformed about the world which, instead of seeking solutions to the nation's economic and social problems based on the nation's natural strength, looks for patches cut from foreign cloth. Even though the 1974 intervention broke the chain of timidity, the lesson still was not learned, because the leader confused the nation's problems with his own " political power" and limited his political horizons by his own personal and party interests.

No Easy Way Out

Because caution and timidity are grounded in the national consciousness, there will be no easy way out of it. We see a remnant of it in the haggling and hesitation over the declaration of independence by the Turkish Federated State of Cyprus. This, certainly, is a decision linked to Turkey's foreign relations and, therefore, not to be taken lightly.

There may be matters of which we are not aware causing hesitation. Yet the Turkish community's and Turkey's ties to Cyprus have been defined by a universally-ratified agreement.

United Nations Resolution

It may be thought that this was important in Turkey's legal defense of its interests. But Makarios essentially abrogated the agreement by his campaign to annihilate the Turkish community. Moreover, we cannot come up with any compromise in UN practices to date in which legal documents override the de facto situation.

The latest UN resolution has proved this, in that efforts for the past 7 years to get the equal communal rights of the Turkish Cypriots recognized have come to naught. If the Palestinian Conference held in Geneva could recognize the statehood of the Palestinian Liberation Organization despite its lack of territory, our hesitation in recognizing the independence of an established Federated State on its own soil serves no purpose other than to encourage the Greek and Greek Cypriot cause. Negotiation from a de facto position has never harmed anyone, including Israel.

A New Balance

A new strategic balance is taking shape in the Middle East. We are suffering the consequences of our timidity vis-a-vis the strategic balance which began forming at the end of World War II.

The Lebanese War and the Iran-Iraq conflict leave no room for doubt that a new balance is forming in the Middle East, including border alterations. The present Turkish administration proved with the incursion across the Iraqi border not long ago that it is determined to make its weight felt vis-a-vis these changes in matters involving the security and integrity of Turkey and its neighbors.

We hope that the same active concept will reveal itself in all problems, including both the question of TFSC independence and Turkey's strategic environment.

8349

CSO: 3554/8

DROP IN GREEK BIRTHRATE, RISE IN TURKISH SECTOR SEEN AS THREAT

Nicosia I SIMERINI in Greek 26 Sep 83 p 3

/Text/ The figures do not lie. By 1987-88 the schools in Cyprus will have 6,000 less pupils than this year. Unless this prospect begins to worry the officials and those responsible for the country's demographic development, we must expect worse situations. What is the meaning of this figure? It means that the low birth rate of the Greek Cypriots will reach disturbing levels. It means the Greek-Cypriot population will decrease instead of increasing; that the number of pupils, instead of increasing, will go down. When? At a time when the Turk-Cypriots expand and populate our occupied areas.

Let us again use the numbers. The Turk-Cypriots are not 120,000 as they were prior to independence. They are more than 150,000 and, together with the colonists and occupation forces, they near 200,000! That is, three Greek-Cypriots to one Turk. We cannot rule out that by 1988 we may be three Greek Cypriots to two Turks! Where are we going?

The low birth rate has been called the third Attila. What has the government done to raise the birth rate and to help those who wish to have more than one or two children? Nothing. No specific incentive, no help. Of course, there is help given to those with many children, but what is important is to help those who do not fall in this category. We will underline this once again. If the government does not take urgent steps to reverse the low birth rate we will soon face in the foreseeable future new national dangers.

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CSO: 3521/40

SURVEY OF PEACE MOVEMENT GROUPS, IDEOLOGIES

Bonn DIE WELT in German 18 Oct 83 p 4

[Article by Rolf Tophoven: "Communists Solidly Anchored in the Peace Movement"]

[Text] The "moment of truth" has come for the peace movement. After a series of preparatory conferences in the past weeks and months, the "International Action Week" is now to come from 15 to 22 October with protest actions in the whole federal area as a preliminary high point in the campaign against armament and the NATO dual decision. What forces determine the "peace movement"? According to organs of the state police, the following currents can be determined:

- Traditional peace groups with declared peaceful purposes, groups that favor nonviolent resistance.
- Militant peace groups that do not exclude the use of force.
- Autonomous and anti-imperialist groups that favor the use of force to attain their goals.
- Violent terrorists

The goals and planned forms of action of these four main currents make the differing approaches to protest clear. Along with the so-called traditional peace groups, the Greens, and the Federal Organization of Citizens' Initiatives for Environmental Protection (BBU), the German Communist Party (DKP) and its associated organizations have taken an active part in local and regional activities. The goal of the DKP is, among other things, to reach together with union workers and SPD followers an "action unity" on the basis of close cooperation. In this way, the orthodox communists hope to achieve greater attention through a wider public. The rejection of the use of force is considered advisable less for legal reasons than for tactical ones in order not to alienate democratic organizations.

The German Communist Party: It has about 41,500 members and a high degree of mobilization. The DKP has close connections with the "GDR," and from there it also obtains its financial support (1982 about six million marks). The DKP is

tightly organized and disciplined. It is prepared to make an impression on many events. It remains a question whether this will be tolerated by the others. Throughout the Federal Republic, the DKP controls over 300 factory groups, 900 local groups, and 100 university groups. It is represented through its subsidiary groups in all coordinating locations of the coming action week.

Democratic Women's Initiatives (DFI): Founded in 1975 with the help of the DKP in the "International Woman's Year." The DFI has set up actions under the theme of "Women Against Missiles." It is organizing women's peace camps and events against armament. One hundred local groups with about 2,000 members have been formed, and a larger number of sympathizers is standing ready. Up to now, the Constitutional Protectors know of no actions of this group involving force.

Cooperation with the Greens Sought

World Peace Council (WFR): Founded in 1950 by the Communist Party of the Soviet Union. The WFR has the task of coordinating on an international level the actions of the communist mass organizations. The main goal at present is: "... The struggle against the deployment of weapons of mass destruction in Europe" by means of propaganda and agitation. WFR representatives will take part in the events of the action week.

German Peace Union (DFU): Founded in 1960, this organization has been active from the beginning in the so-called Easter parades. About a third of the DFU members belong to the forbidden KPD. The DFU includes about 2,500 members engaged in local peace groups. Clear efforts toward cooperation with Greens and Social Democrats as a "democratic union of all enemies of armament" have been noted. According to the Constitutional Protectors, the use of force on the part of the DFU is not likely.

Committee for Peace, Disarmament, and Cooperation (KFAZ): This committee was formed in 1974 by the DKP and other communist organizations. It works closely with other "coordinating locations for fall." The group belongs to the initiators of the "Krefeld Appeal."

Socialist German Worker Youth (SDAJ): Subsidiary of the DKP, run and financed by it. Throughout the Federal Republic there are about 15,000 members in about 800 groups. The emphasis of the SDAJ is work with youth. Publishes the magazin ELAN monthly.

Marxist Student Organization Spartakus (MSB): Subsidiary of the DKP. Seventy percent of the MSB members belong to the DKP. It stresses work with students. All in all, about 6,000 persons. According to the estimates of the Constitutional Protectors, the MSB is the strongest and most influential leftist extremist student organization. It is considered radical.

German Peace Society -- United Opponents to Military Service (DFG-VK): Founded 1974 with the help of the DKP. Close to the DKP, with the largest number of noncommunists. Among other things, the organization took part in the organization of the demonstrations in Bonn 10 October 1981 and 10 June 1982.

Direct Nonviolent Actions Favored

Strives toward special goals within the peace movement. Favors "direct nonviolent actions." Stresses the principle of nonviolence. Throughout the Federal Republic about 7,000 members are organized.

In the past, individual peace groups have appeared that want to prevent the execution of the second part of the NATO dual decision with the help of militant, direct, violent actions if other forms of protest do not produce satisfactory results. These groups make allowance for confrontations. Probably their activity involves starting something at the edge of a large peaceful gathering. But its protest potential is comparatively small. Essentially, it has to do with persons and organizations for whom the usual nonviolent actions are not sufficient.

Here are found above all the radical communist forces that seek no combined actions with democratic organizations. Nevertheless, "related actions" are possible. The following supraregionally active groups belong to this complex:

The Communist Organization of West Germany (KBW): This communist cadre organization, which in the past has often been active in violent altercations, numbers at present a membership strength of 500.

The Organization of West German Communists (BKK): About 300 militant members with a larger circle of sympathizers. The goal is the "destruction of the civic governing apparatus." On this basis, it might also work for armament in the area of the dogmatic New Left. According to the Constitutional Protection Office, this group is liable to take part in violent actions during the action week.

Federation of Nonviolent Action Groups (FoeGA): Amalgamation of various militant groups that also work together in the coordinating office at 179 Estermannstrasse. They are planning concrete actions against armament, with individual goals. The FoeGA has specialized particularly in ammunition dumps and peace camps. Because of its decentralized organizational structure, the Constitutional Protectors cannot say anything about concrete actions of the FoeGA. But the group must be classified as militant because of its publications.

Marxist Group (MG): Tightly organized, disciplined, intensively trained, and strictly screened. At previous events the MG has been able to mobilize more than 8,000 persons. Their participation in the peace actions is considered certain; militant actions cannot be ruled out.

The autonomous and anti-imperialistic groups deserve particular attention as far as the use of force is concerned. Here we are dealing with the coming together of people who are pursuing "the struggle against the swinish system" in the Federal Republic. They work closely together with persons in terrorist activity. The border between autonomous/anti-imperialists and supporters of terrorist brutality is fleeting. The autonomous/anti-imperialists consider force an effective means of achieving their ends. These organizations have

separated themselves from groups that reject the use of force.

According to the Federal Office of Constitutional Protection, persons from the terrorist area have recently taken over leadership positions in some north German groups. The following individual groups have been classified up to now as militant/violent:

Federal Congress of Autonomous Peace Groups (BaF): The BaF includes all the anti-imperialist, autonomous, and militant groups within the peace movement. It generally represents the "Concept of the Rule of Limited Violations." For the action program in the fall, the Goettinger group, "Working Group Against Nuclear Energy," succeeded in a "plea for a fall confrontation."

Committee Against Bombing (KgB): This is a group of militant, autonomous, and anti-imperialist organizations with the goal of stopping munitions transports of the American armed forces not only on the railways, but also on the waterways. To carry out this goal, a telephone net all the way to south Germany (Munich) was built in cooperation with other militant groups. The KgB follows the tactic: "Observe, meet, blockade!" Here the following actions against munitions transports are not to be ruled out:

- Sabotage on the tracks
- Making it impossible for munitions ships to maneuver (with chains or ropes)
- Attacks with Molotov Cocktails
- Attacks with fire and explosive bombs.

Blockades or barricades are planned for railway traffic as well as individual attacks on switches, signals, and overhead electric controls.

The Wesermarsch Work Group: This group publishes an information sheet that evaluates all munitions transports in the Federal Republic. It has been shown that persons from the terrorist area have participated in writing these brochures and in giving the accompanying suggestions. According to the Constitutional Protectors, this radical group clearly favors the militant use of force.

War Against War (KdK): This is the most militant group outside the terrorist sector. It took part in 1981 in the riots on the occasion of the Bundeswehr oath in Bremen. The group has close connections with the sympathizers and the area of operation of the Red Army Faction. Ideologically, it is on the side of the dogmatic New Left.

Hamburger Blockade Assembly: In this organization, the militant forces from all anti-imperialistic groups in north Germany work together. The police and the Constitutional Protectors of Hamburg regard the Blockade Assembly as a new terrorist group that is also planning direct attacks on munitions transports at the cost of heavy losses. One must expect violent actions from this group.

Preliminary Proceedings Against the ATOMEXPRESS

Goettinger Worker Group Against Nuclear Energy: This group is characterized by particular militancy. It wants to unite different streams of protest -- nuclear policy and armament. Two of the new organs published by the Goettinger group characterize the group's views: "Plea for a confrontation this fall!" -- "Plea against the freedom of violence!" The General Federation of Lawyers in Karlsruhe has begun preliminary proceedings against the group or against its organ of publication, ATOMEXPRESS. One must reckon with militant, violent action from this Goettinger group.

Antimilitary Group of Bonn (AMG): A militant group of opponents of armament that in the past has repeatedly taken part in acts of violence (Krefeld three arrests, Wuppertal six arrests). The main area of concentration of this group is the transportation of munitions on the Rhine. One must reckon with violent actions of this group, particularly in the Bonn area. According to the information of the Constitutional Protectors, the group includes 30 to 40 persons who have declared themselves ready for acts of violence.

Red Army Faction (RAF): According to the structure of the RAF, an execution of attacks against military installations and persons without great symbolic character is unlikely. The RAF stands under the restriction of carrying out actions for the maintenance of the sympathizer and supporter circles. In the past, it has never undertaken actions when public interest would be drawn in that direction anyway. Therefore further actions in connection with the protest movement are not expected.

RAF Area: In connection with "Actions against munitions transports," the persons in the RAF area take on a dominating position. Here the "strategy of retreat" plays a special role, whereby larger police forces are bound to symbolic objects in order to achieve successes at other places.

Revolutionary Cells (RZ): The RZ's follow the strategy of "connection," whereby current events are utilized. Thus on the occasion of the visit of the U.S. president, Reagan, on 10 June 1982 to the Federal Republic a total of ten explosive attacks were carried out. A "connection" with the actions to prevent NATO armament is therefore to be expected.

9124

CSO: 3620/50

STUDY SHOWS MOST YOUTHS REJECT VIOLENCE

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 14 Oct 83 p 32

[Article by Eghard Moerbitz]

[Text] Bonn, 13 Oct--The vast majority of members of the young generation between the ages of 15 and 30 have a negative opinion of extremist parties and violent youth groups. Contrary to widespread belief, most young people reject punks, popsters and rockers as well as squatters, nationalistic groups and new youth cults, and want a "harmonious and peaceful life" for themselves. Although young people as a whole approve of democratic government, the majority complain that decisions of politicians are becoming more and more unintelligible and that personal freedoms are being restricted more and more.

A Sinus Institute study commissioned by the federal Ministry for Youth, Family and Health, in which approximately 2,000 young people were polled, shows that new ways to exerting political influence at the grass-roots level, through citizens' initiatives and self-help groups, are gaining ground, but most supporters of such "do-it-yourself" politics favor nonviolence.

On the other hand, traditional ways of exerting political influence are also popular. Participation in elections is thus advocated by 81 percent of those polled, commitment to political parties by 57 percent, and cooperation with unions, shop committees and staff councils by 67 percent. Cooperation in citizens' initiatives and self-help groups is considered effective by 69 percent, but only 14 percent are willing to take part in spontaneous demonstrations. Violent action is rejected by 85 percent.

Asked about their sympathies for current organizations and groups, the following said they were members or sympathizers of: environmental protection, 84 percent; the peace movement, 75 percent; antinuclear power, 45 percent; citizens' initiatives, 71 percent; self-help groups, 69 percent. The following said they rejected or opposed: nationalistic groups, 77 percent; rockers, 74 percent; squatters, 66 percent; punks, 63 percent; new youth cults, 58 percent; popsters, 56 percent. Social Security is amazingly popular with young people: a "secure old age" is considered "important" of "very important" by 83 percent.

12580

CSO: 3620/44

BARRE ON POLITICS, ECONOMY, PCF, INTERNATIONAL RELATIONS

Paris LE DEBAT in French Sep 83 pp 5-52

[Interview with Raymond Barre by Francois Furet; date and place of interview not specified]

[Excerpts] [Question] Your role in French politics and you personally are the subject of increasing interest, if we are to believe the polls. You are benefiting from the majority's poor economic results, of course. But in addition, you arouse curiosity as one of the major figures on the political scene, not only on the right but on the left as well, among your adversaries, among your allies, among your friends. Does that please you? And if so, to what do you attribute it?

[Answer] I have been, I am, and I will undoubtedly remain an object of curiosity politically. Why? Because I went into politics under very peculiar circumstances. Strictly speaking, I have not had a political career. I pursued a university teaching career, during which I was given the opportunity to serve the state, also under rather special conditions. First, in the Ministry of Industry in 1959, because Minister Jeanneney was a university professor who knew me; he asked me to head his staff. Next, for several years I was involved in the work of formulating economic policy in France, on the General Planning Commission in particular, with Mr Pierre Masse. Finally, General de Gaulle sent me to Brussels in 1967 to occupy the post of vice chairman of the European Communities Commission. Each time that a mission was completed, I returned to the university. It was quite a surprise for me to enter the government in 1976 and to become prime minister 8 months later. That isn't the usual course of a political career.

When I was prime minister, I faced a very difficult economic situation. It was a matter of implementing the measures which would enable France to absorb the first oil shock. But I had to deal with a difficult political situation at the same time. The parliamentary elections, which presented society with a choice, were scheduled for March 1978. And then, above all, the fact must not be overlooked that since late 1978 I had been dealing with what I will call an apparent majority. One of the majority groups voted for the government's bills, of course, but it cannot be said that it was deeply satisfied with being a part of the presidential majority. I suffered the consequences of this. The outcome of this spurious situation was, as we know, what happened in 1981.

[Question] Do you really feel you got into politics accidentally, or rather that you have found a career in which you thrive?

[Answer] I'm not going to tell you that what I did in politics seemed boring or uninteresting to me. That would be totally untrue and unjust, for the responsibilities which I had to discharge were difficult, but they were exciting. But I will tell you that I don't like politics. I did not make a career of it. I have not, since the first day I awakened to an active life, been fascinated by--I won't say the political debate, because that debate has always interested me--but by the political process.

[Question] Yes, but that's what is difficult to understand: you make a relatively disparaging judgment of politics as an occupation, as a profession, and yet you have become a political professional. You could become a teacher again; you are still in politics.

[Answer] I'll tell you a secret. If the outcome of the presidential elections had been different, that is, if Mr Giscard d'Estaing had been reelected, I would not have been prime minister any longer--5 years is more than a long time; it was not my intention, in the 6 months which would have followed such an outcome, to run as a candidate in the parliamentary elections and obtain a seat in the National Assembly. I had decided to step back a little. If I have returned to politics, or to be more exact, if I have remained in what you call politics, it is because I thought that after the 1981 presidential elections, with the decision having been made to dissolve the government, the former prime minister should submit to the punishment of the voters. When you have been prime minister and when political circumstances change as abruptly as they did, you cannot withdraw from the political process; you would have something of an impression of being a deserter. So many French citizens asked me, after June 1981, to do something that if I had simply and solely gone back to teaching, I would have felt like I was abdicating or deserting. But I have nevertheless resumed my teaching.

[Question] And your time in Brussels, was that a big experience?

[Answer] That is entirely another matter. Brussels was one of the most instructive and most enriching periods of my life. I had already kept up rather closely with European affairs. Brussels taught me a lot of things. First, I became convinced of what I felt intuitively and rationally, that is, the need for an organized Europe. Secondly, I became aware there of the fact that the construction of a United States of Europe, if it is possible one day, would certainly not be achieved by the methods which created the United States of America. This old land which is furrowed with different identities, traditions, prejudices does not need a supranational organization, but a multinational organization with techniques and procedures suited to that diversity and weight of the past. Third, in Brussels I considered what international negotiation was and I understood, above all, the extent to which it is essential for France to be strong. For there is a dual feeling toward our country: abroad, its role is recognized as being necessary, but people do not fail to feel some satisfaction when they see its affairs doing poorly. In Brussels, I became convinced, beyond any intellectual or theoretical reasoning, that French strength and stability

were the essential conditions not only for its influence, but also for the progress of a number of ambitions which we might envision on the European level and on the level of international relations in general.

[Question] Why do you make such a negative judgment of French politicians as a class? Is it because you observe them too much? That may actually be a reason for not having unlimited respect for them. I have the feeling that the political environment triggers in you a kind of automatic reaction of alienation.

[Answer] I have never made a negative judgment of French politicians as a class. They have their good points and their shortcomings. On the other hand, I have said on repeated occasions that the French political environment shares a number of rituals or behavioral patterns with which I cannot manage to sympathize. At the time, I talked about the microcosm, that is, everything that exists on politics, through politics and for politics, all of that hustle and bustle around politicians themselves. It does not appeal to me. It is true that I haven't had to go through every stage of the course, like most members of the political class. The fact that I broke into politics will always remain in relations between them and me. But there is something more. I believe that there is a deep-seated tendency within me: I am incapable of accepting the supervision of parties and staying in line.

[Question] But political parties are essential to democracy.

[Answer] I understand the need for them. But by temperament, it is difficult for me to bend to them. If you are a member of a party, there are issues about which you feel deeply and about which you must agree to remain silent because the party's position is different. Personally, I have trouble accepting that. There you will find the habits of an independent academic. That is one factor; and then there are also rituals and customs to which I am not accustomed and which I have decided not to adopt.

[Question] How do you view French politicians as a class in comparison to other politicians abroad?

[Answer] It would be an exaggeration to say that I am very familiar with foreign politicians as a class. Yet there is one fact which has always struck me and that is that the French political class is more dominated by ideology, and more divided because of ideology, than the political classes of other countries. When I talk with Social Democrats or Christian Democrats in Germany, with Conservatives or Laborites in Great Britain, or with Republicans and Democrats in the United States, where I go often, I find a certain common basis of the two sides. Among French politicians as a class, the ideological opposition makes it very difficult to have exchanges of views motivated by a concern for objectivity on a good number of issues. The apriori aspect is immediately apparent. Before any discussion, you are asked whether you are on the right or on the left, whether you are following a rightist policy or a leftist policy. Not once is the question asked: What are the facts and, based on that, what objective conclusions can be drawn from them?

[Question] In your case, there is the Gaullist legacy, which is basically patriotism. You belong to the age class whose political reflexes are conditioned by 1940, and thus by Gaullism. But beyond that, what is your vision of society, what type of social arrangement do you support, what type of philosophical motivation? Among the public--this is the image of you which developed when you were prime minister--you are considered a man with a too narrowly technical vision of society. Now you have gone on to a higher level, from a certain standpoint, but you remain a man with an economistic concept of society. If it is possible to go a little further: what kind of values does liberalism imply in your case, does religion play a role, and what type of philosophy motivates you?

[Answer] Allow me first of all to point out that the "economism" which you mention was attributed to me by my critics. So many people, on all sides, had an interest in my being perceived as an obstinate and limited thinker, incapable of understanding and conducting politics! A rival must not make a name for himself under the ... "professor." Among those who accused me of economism, very few had the experience which I had acquired myself in other places. I undoubtedly have a fault which doesn't do me any good: I don't like to make, in keeping with the rules of the "microcosm," long speeches--most of the time written by someone else--on major social, literary and scientific subjects solely to demonstrate that I have a broad culture. Real culture is, first of all, unassuming.

When I was appointed prime minister, what was the French problem? It was to absorb the first oil shock, just as France had to deal with the second oil shock 3 years later. What did I have to do? To put my country in a position to overcome the consequences of those two harsh blows. That required putting its economy back in order. And at the same time, I formulated a social policy for which I was also reproached because it was termed excessive. If I expressed myself mainly on economic problems, it was because I was concentrating on a priority task. I also expressed myself on other issues. But in a given period, in a difficult situation, I represented a policy which concerned the main problem of France at that time.

[Question] I ask you those questions because I am struck by the fact that in France the liberal tradition has never had strong political legitimacy. In my opinion, your defeat of 1981 can be viewed in the light of this historical reality, a kind of social narrowness of the liberal tradition in France. Are you aware of this, is this a problem for you, what do you represent in comparison to classical liberalism?

[Answer] Let's be sure what we mean by liberalism. I have studied economic problems enough that I won't risk sinking into a paleoliberalism. You will never hear me making big speeches about the misdeeds of government and the automatically benevolent actions of market forces. But you will hear me denouncing the dangers of expanding the public sector and the ineffectiveness of government controls. My liberalism is, first of all, a political liberalism of Tocquevillean motivation--the Tocqueville whom J. J. Chevallier encouraged us to read in his course on the history of political ideas. I would add that I don't think it's possible to manage a modern society without taking into

account the social forces exerting influence therein or the aspiration of people for greater justice. My deep conviction is that a progressive society is a society of emulation, a society based on freedom given to everyone to seize the opportunities given to them. I also believe that there cannot be a just society without an extensive base of joint responsibility, provided however that the constant expansion of that joint responsibility does not lead to generalized public welfare and, along with it, the disappearance of the virtues of effort, initiative and responsibility, which I consider fundamental.

[Question] In other words, a market society with the freedom to operate businesses and redistribution of revenues?

[Answer] A market economy with mechanisms of social interdependence, with necessary government intervention, but not a government that does things, rather a government that gets things done, which resorts to incentives rather than to regulations or controls. A society which sets goals of individual and collective progress for itself, but with respect for pluralism and with a concern for the development of people. It is in that sense that I am not a collectivist. My liberalism is strongly tinged with personalism.

[Question] Let's move on, if you will, to your actions as prime minister. You had hoped to restore the foreign trade balance without reducing domestic consumption. Did you think that the gamble was possible?

[Answer] I thought, and I still do, that there are considerable reserves of productivity in France. Following elimination of price controls in 1978, the French economy's productivity rose by 6 percent in 1979. Investment began to pick up in 1979 (2.7 percent in volume) and was confirmed in 1980 (+4.7 percent). This was possible only after the deregulation of prices. Moreover, I thought that the purchasing power of wage earners had to be protected for social reasons. What I then tried to do was to maintain purchasing power by freeing the country's forces of productivity. My analysis was that controls prevented this productivity from developing. In gradually eliminating them, I noted some significant gains in productivity. This was intended to enable me to restore the foreign trade balance or to have only a tolerable foreign trade deficit and, at the same time, keep the currency under control. The defense of the franc in turn enabled me to exert pressure in the direction of strengthening French industrial structures. What has made German industry strong is the strength of the German currency.

[Question] Was your policy bold enough and systematic enough in this area? You'll admit that French industrial structures are still fragile.

[Answer] Not only do I admit that, but I consider the strengthening of our industrial structures to be one of the country's main problems and I tried hard to solve it. But there are two ways of tackling this problem. The first way is to provide French businesses with a set of conditions favorable to their development. The second way consists of acting by sector, with the aim of developing a certain number of productions. My conviction is that the second method cannot replace the first. I don't see how it would be possible to effectively develop an industrial sector when the prices of products are controlled

or when exchange controls, which hamper the exporting activity of the sector in question, are imposed, and a fortiori when a monetary policy is implemented which results in the reduction of funds for the economy. The tragedy of France is that the vision of economic policy is still largely Colbertist and sectoral. The total picture is undefined, there are no game rules which enable the economy to develop by itself. We control, we try to develop certain activities through specific intervention, without worrying about the rest of the economy. What I tried to do was, first, to create a set of favorable conditions for businesses (deregulation of prices--orientation of savings toward businesses) without, however, neglecting to give certain businesses the means to enable them to assure their expansion based on future strategies. France has to follow a continuous policy of adapting its industrial structures, but such a policy of adaptation has the chance to succeed only if the general conditions for the development of businesses are combined, that is, when a climate of freedom prevails, and not a climate of constraint. In short, I prefer a policy for businesses to a sectoral industrial policy.

[Question] But you have been reproached for being too interested in businesses and not concerned enough with unemployment, which you seemed to consider a "balance."

[Answer] Let's stop these facetious remarks! Have you noticed, incidentally, that the Socialist group is criticizing the government's proposed Ninth Plan because it treats unemployment ... as a balance! How is it possible to ignore the fact that, basically, employment depends on a series of domestic and international economic factors? I'll just tell you this: The policy which I followed was a policy for employment. With Christian Beullac, I established the first national program for employing youth. In 1977, 1978 and 1979, I achieved an economic growth rate of 3 percent and more, without jeopardizing the foreign trade balance and the stability of the franc. I bore the full brunt of the French demographic development--which Mr Mauroy has begun mentioning after denying it when he was part of the opposition. Between 1976 and 1981, the French economy continued to create net jobs in nonagricultural sectors, whereas since 1981 the total number of nonagricultural jobs has steadily declined. Finally, I recall that from December 1979 to December 1980, when France was suffering the full effect of the second oil shock, the number of job seekers increased by 11.1 percent in our country, as opposed to 28 percent in the FRG and 65.6 percent in the United Kingdom. These are facts.

But I never wanted to apply the miracle formulas demanded by the Socialists, because I knew where they would lead our country: as we clearly see today! I never wanted to reduce the number of job seekers by hiring thousands of civil servants, by putting workers into early retirement and reducing working hours, because I was concerned about the long-term effects of such measures on our economy. My principle was and remains: to do everything for employment, but not to do just anything for employment. Employment is not improved by ruining or upsetting the balance of the economy.

[Question] You're very convincing when you talk about social progress achieved through essential economic progress. But don't you feel that the France which you found in 1976 was permeated, in the wake of 1968, with deep-seated social

aspirations to which positive responses should have been given, responses which perhaps you would have personally liked to make? For example, the television monopoly or the centralization of national education.... Why didn't you try to make progress in these areas?

[Answer] Here we are getting into another problem. When you are in the government--and this is the big lesson I learned from my term in office as prime minister--you realize very quickly that you can't really achieve a lot of things all at once. It becomes necessary to choose a few simple goals and stick to them. I had to correct the economic situation first, because without that, we wouldn't have had the resources to do the rest and because without that, we would have been incapable of continuing to exercise an important role in Europe and the world. There were, of course, a bunch of other problems to be resolved. I assessed their importance. But in order to deal with those problems of society, not only is time and a favorable climate necessary, but also having behind oneself parliamentary elections and, even more so, a presidential election. There we ran into a deeply entrenched idea in France, that television should be in the service of the government. Regardless of what is done, moreover, it always seems like it is in the service of the government, even if it isn't. I never issued the least order to the heads of television networks when I was prime minister. I am sure that my words will not be refuted. During my years in government, I always dreamed of a British-type situation, with a BBC [British Broadcasting Corporation]-type regulation for our radio and television industry. The difficulties in achieving this are considerable. At the present time, you see many people among the opposition who say they are in favor of audiovisual freedom. But at the time when they were part of the majority, touching the public television monopoly was, in their eyes, an attack on the government. This kind of resistance must be assessed. I'm afraid that we won't soon solve the problems posed in France by audiovisual regulations.

In general, in France it is very difficult to make progress with reforms except in circumstances of rather extreme change. Under normal circumstances, you run into all kinds of resistance stemming from the fact that French society is very heterogeneous. In other countries, industrial development has been accompanied by a homogenization of society. This is not the case in France. This may be regrettable and we may ask ourselves whether it would be advantageous for French society to become more homogeneous. I'm not sure. When I became prime minister, I received socioprofessional organizations in keeping with tradition. I wasn't faced with representatives of French agriculture, but four organizations: the FNSEA [National Federation of Unions of Farm Operators], CNJA [National Young Farmers Center], Chambers of Agriculture and Agricultural Cooperation. I did not meet with one organization representing businesses, but rather with the CNPF [National Council of French Employers], CGPME [General Confederation of Small and Medium-Size Businesses] and other organizations claiming to be representative of businesses. There are four trade union confederations and this results in a constant excessiveness in demands. I admit that my first contacts were disappointing and even a little depressing. When I explained the problems the country had to face, I found myself facing a whole spectrum of interests. And it involved, above all, defending particular interests. The heterogeneity of French society definitely has major drawbacks,

but at the same time I think that if it didn't exist, considering the French temperament, the pendulum could sometimes swing to the extreme right and sometimes to the extreme left; the diversity of groups and interests ultimately seems like a factor of stability and pluralism.

[Question] Let's take national education. Don't you find the system inordinately centralized, and just as unmanageable? For example, in the case of higher education, is it necessary to retain the national conferral of degrees?

[Answer] In the case of education, centralization is unquestionably negative. The minister of education and I have endeavored to carry out in-depth programs in education. Mr Beullac tried hard, first of all, to improve the ministry's management of both people and financial resources. He established a new program for training teachers in elementary education and started to introduce alternative education in secondary establishments. He tried an initial decentralization experiment which also was not very well received because it clashed with old habits.

Concerning higher education, the programs pursued were intended to improve the operation of the universities and a number of other institutions. I find that the School of Graduate Studies in Social Sciences has benefited from this! The law of 1968 was respected and was modified only in relation to the experiment and its application. In 1980, I initiated the process toward university autonomy by assigning a committee to study this issue to a commission chaired by our colleague Freville and in which every faction of university opinion was included. This commission worked with representatives of the Department of Budget and reached conclusions that are very interesting for the future. All these programs weren't dramatic, but useful over the long term. One of the lessons I learned from my 5 years as prime minister was that reforms succeed even better when they are carried out by in-depth programs which are well chosen and consistently pursued, rather than with a lot of fanfare.

[Question] You know that the universities, in general, do not have a good memory of your minister of universities!

[Answer] I refrain from judging my ministers, especially if the latter voice criticism of me. As prime minister, I was responsible. I can only tell you that for 5 years I saw to it that the universities and the major establishments of higher learning were treated with respect for university traditions of freedom and tolerance, and in keeping with the principles governing their operation. My colleagues learned that, beyond any political consideration, they could address themselves to the prime minister, who was one of them. They expressed to me opinions to which I was very sensitive!

[Question] A final question on your actions as prime minister. Who lost the presidential elections of 1981? Did the opposition really win them or did the majority lose them? And if the majority lost them, as I believe, then why?

[Answer] My analysis of 1981 is very simple. I analyze it in comparison to the elections of 1978. It was in 1978 that the real problem of a choice of society arose in France: a society of freedom and responsibility or the joint program of the left! As early as October-November 1977, I thought that the parliamentary elections would be won. They were. Why? Because there was a great mobilization of the French around certain values and great unity among the groups of the majority at that time. There were primaries lost here and there, of course, but the goal was to win as a whole. The 1981 elections should not have posed any problems. If you read Francois Goguel's analyses of the 1981 elections, you will find that, according to his expressions, there was no tidal wave, no surge in favor of the left. On the other hand, in the case of the former majority, there was a split which led to votes for Mr Giscard d'Estaing not being carried over into the second round of voting. If Mr Mitterrand is in the Elysee Palace, it is because 3 percent of the French in the former majority, who had no desire to see the left in power, nevertheless voted for Mr Francois Mitterrand. Some to censure Giscard, whom they didn't like, and others because they were against the occupational tax and because they thought that Mr Mitterrand would abolish it, still others in order to acquire various advantages, and most with the conviction that the parliamentary elections--following the victory of Mr Mitterrand--would be won by the former majority! Political childishness! In my opinion, that is the real reason for the defeat of 1981. When you examine the political development since the fall of 1981, you find that those 3 percent, who made the difference, soon went back to their former position, which explains why the by-elections were won by the opposition, then the cantonal elections, and finally the municipal elections. In other words, the left is not a majority in France.

[Question] But at the base of that 3-percent shift, there was Chirac's defection, a decline in the personal popularity of the president of the republic

[Answer] There were many factors involved; there is also the fact that a number of French were tired of a policy which resolutely called on them to make a continuous effort. They tried to "take a breather," they thought that the change of government and president would lead to a recovery, an increase in purchasing power, a fifth week of paid vacation, reduced working hours, etc.

Have you ever seen a presidential campaign in which there was such a flood of demagoguery? As prime minister, where I was in a good position to observe the situation, I was worried about the extraordinary pressure from the different interests, which I noted and which I feared for my successor!

[Question] Wasn't this tit for tat? Hadn't the president of the republic done that in the previous election?

[Answer] In 1974? I don't remember there being as many different promises to groups as you say.

[Question] You have, in all, faced two oil shocks and the start of a long crisis. In your opinion, where are we today?

[Answer] Following the first oil shock, many countries postponed the necessary adjustment, that is, the transfer of domestic resources out of the country to meet the oil bill. They were able to do so by borrowing on the international money market, abundantly supplied by the petrodollars of OPEC countries. The second oil shock in 1979 represented the moment of truth. Every Western country implemented policies restricting demand, intended to control inflation, and policies for adapting their economic structures. This was followed by a long and strong recession, a very rapid increase in unemployment, the collapse of many noncompetitive businesses, and high interest rates.

Today, the U.S. economy is the first to have gotten back on the road to recovery, following a very strong reduction of price increases. This recovery is not as strong as it could be because of high interest rates, which persist in the United States because of the massive budget deficit, which grows from year to year. But the improvement of the U.S. economy has been so vigorous and its growth potential is now so strong that I think that the recovery will continue slowly but surely in 1983 and 1984. It will have a positive effect on the rest of the world, for it will favor the development of other countries' exports, particularly developing countries. Western Europe will benefit from this after a certain period, for it has not fully completed its cyclical and structural improvement. But I believe that today the positive factors outweigh the negative factors. In my opinion, only one matter of concern remains: the debt of developing countries. In late 1982, emergency measures were taken. A long-term policy in this regard should be outlined without delay.

[Question] I would now like to ask you about your idea of French society. My feeling is that French society has changed very rapidly in the last 20 years and that phenomena such as that of 1968, on which I would also like to have your views, have set in motion new social and political patterns of behavior: a kind of social liberalism, a kind of general criticism of the government, the existence of a less and less radical and more and more anticommunist left, the advent of a new kind of behavior and political culture. Do you sense such developments? Do you perhaps sense such a profound change?

[Answer] I totally agree with you about the existence of such a fundamental change in French society. I sense it as you do. To me, it seems explicable for three reasons. First: the economic development, which has made society more complex, which has revealed the difficulty of controlling and regulating everything, which has also led individuals to be willing to accept their responsibilities more. The second reason seems to me to have been France's entry into the European Community, which at once broadened the intellectual borders and contributed greatly to the development of structures and behavior: look at agriculture. Third, France has opened up to the world. What has constantly struck me during these last 15 years is the growing interest of all generations of the French, particularly young people, in the outside world. They are traveling: they are seeing different things.

[Question] Exactly what is your impression of today's youth in comparison to your own youth?

[Answer] My own youth is not a good basis of comparison, because when I was young I had the opportunity to take long and wonderful trips and also because I experienced the dark war years and the difficult years of the immediate postwar period. But I am struck by the difference in the behavior of youth in comparison to the youth of the 1950's and 1960's. In the 1950's, young people were still homebodies; during the 1960's, they became travelers.

[Question] And apart from traveling, what is your impression of their differences?

[Answer] I feel they are ... serious. Much more serious than before. This seriousness comes from an awareness of the competition which they will have to face and the world problems facing them. Between the generation of the 1960's and the generation of the 1980's, a crisis occurred. For 20 years, young people enjoyed a prosperous society; in 1980, they still want to succeed, but they know that it will be difficult. They are more serious, but also more generous. There is an extremely kind generosity among today's youth; even some of its excesses are explicable, in the final analysis, by great spontaneity, a desire for authenticity.

[Question] When their resources enable them to do so, young people choose to go to the United States. You yourself are familiar with American society. Do you believe that this positive opinion of the United States by youth corresponds to a break with former French anti-Americanism?

[Answer] What you call former French anti-Americanism is complex. Basically, the French like the Americans: La Fayette, Pershing, jazz, westerns, astronauts on the moon, etc. And then young people who go to the United States discover a fascinating country, friendly people, prestigious universities that are very vibrant centers of culture and research; there they can observe a constant effort to raise social issues--and they exist--to discuss them in depth, to provide solutions to them in response to a broad consensus. In my opinion, that is the basic situation. And then in France there are several circles which cultivate anti-Americanism, condemning capitalism, multinational corporations, the exploitation of workers, the source of money, the war in Vietnam, etc., doing so without making any subtle distinctions and ignoring the rest.

Finally, since the 1950's there has been a type of anti-Americanism born of the dominance exerted by the United States after World War II because it was a superpower, the dominant power in the West. Such anti-Americanism has been the reaction, sometimes excessive, of those who wanted to affirm the independence of nations and to defend legitimate interests. Some people have talked about the anti-Americanism of De Gaulle. In criticizing the sovereign role of the dollar in the international monetary system, by terminating the inclusion of French military forces in NATO, in delivering the Phnom Penh speech, was De Gaulle practicing anti-Americanism or was he defending sound principles and just ideas? I believe that friendship for the United States does not rule out either candor or the rejection of certain dependencies. In any case, the friendship endures.

[Question] What do you think about the desire for less government control?

[Answer] As we said previously, France has been changing for 30 years. It has become modernized, developed, opened up to the outside world. It realizes that it cannot live in today's world with its habits and rituals of yesterday. And the government seemed omnipresent, controlling numerous activities of citizens in a precise and detailed way. That is why there has been a reaction in favor of decentralization--this is very clearly apparent in the provinces. Decentralization is a movement expressing a basic desire; General De Gaulle understood this. This is also why a change is taking place within businesses, where organization has remained too Tayloristic and where new kinds of social relationships must be adopted. Our national pattern, which was basically a pattern of government intervention, control and regulation, is in the process of evolving toward a more flexible pattern based on the freedom and responsibility of citizens, on an interrelated lifestyle, toward a pattern which is closer to that of other great modern countries.

[Question] This is fundamental. Do you think that in the coming years or decades we will be able to witness the evolution of the French political class, both the right and the left, toward more decentralization, less government control, less obsessed with the problems of control, national supervision ... in this regard, are you sensitive to the kind of sensitivity expressed by the evolution of a newspaper such as LIBERATION?

[Answer] LIBERATION, which I like to read, certainly expresses, in its own way, some of the desires which we are discussing. It discusses social problems very openly; it writes about the economy in a way that is less pompous and less ideological than the established left; its headlines, in particular, are filled with truth and humor. All that expresses both a concern and a desire for freedom. But let me go no further, for fear of compromising that newspaper's staff in spite of itself!

Let's get back to the basis of your question. It must be admitted that even if the right or the left claimed to remain loyal to the past's pattern of organization, outside constraints would force them inexorably to change their positions. For 7 years, and this is my basic premise, we have no longer been able to view the world through our old glasses. It is changing very quickly. We have to travel around and go see what is currently taking place in Japan, in the United States, in the new industrialized countries. Then we will see the extent to which tomorrow's world will be a competitive world. You won't be able to prevent developing countries from developing, to keep the industrialized countries from modernizing and innovating, thus new forms of competition will constantly emerge. The major problem for France today and tomorrow is coping with this competitive future. In my opinion, France will be able to do so only by playing the card of freedom, the card of individual and collective responsibility, by unhesitatingly accepting the competition which opening up to the world brings. We are presently witnessing the death throes of French protectionist mentality. It is evident where the oldest and most routine activities of our economy still exist. It is expressed by radical theorists far removed from reality, but the acceptance of competition can be noted more and more, and I would even say the desire for competition as an incentive for innovation and progress in the most dynamic and youngest sectors of French society. France must become a fully competitive country:

this must be the goal of tomorrow. This is the basic reason why I fought for 5 years to prevent any return to protectionism.

[Question] Based on this analysis, do you see the decline of communism in France, and elsewhere in Europe, as an irreversible historical phenomenon or do you think that it is cyclical?

[Answer] That is a delicate question. In my eyes, the Communist Party is not just a political party; it is a church, and that church retains its faithful in spite of everything. It would undoubtedly be necessary to go far back in French history, and in the representative bodies of certain intellectual and social groups, to understand the loyalties which the PC has aroused. It would be interesting, for historians such as yourself, to research the factors of that devotion to the Communist Party. As for me, I have trouble figuring it out. However, I don't think that the Communist Party can be made to disappear by means of a murderous stranglehold, as the Socialists seem to think. That may well result in awakening it to an even harder line.

[Question] Practically speaking, the fact remains that it is the Socialists who have reduced the Communists to their present level.

[Answer] The Socialists or the economic and social development of France, as well as the international development, that of the USSR in particular. The answer to your question also depends on determining whether communism in France derives from economic and sociological factors which may gradually disappear or whether it is related to ideological factors deeply entrenched in certain groups of our society. Considering the ideological character of French society, I wouldn't bet on a rapid elimination of the Communist Party. Perhaps we will even see its behavior, its modes of expression change! Perhaps it will become more liberal, like the Italian Communist Party! Time will tell!

[Question] But a Communist Party receiving 11 percent of the votes, does that suit you?

[Answer] It is not a question of whether it suits me or not! I look at communists as Frenchmen. I certainly don't like the Communist Party. I think it's dangerous. But nevertheless, the phenomenon which it represents cannot be considered by a Frenchman in simplistic terms. Behind this phenomenon is the great egalitarian trend which runs through the history of our country: remember the babouvists!

[Question] The state, the guarantor of the equality of citizens....

[Answer] And moreover, contrary to what some people say, there is a decidedly nationalistic side to the French Communists.

[Question] Using your analysis of a modern liberal society that is advanced, open to the outside world, competitive and favorable to business, what redistribution of income do you foresee, of what magnitude?

[Answer] Of a magnitude that would not be likely to jeopardize the inclination to work, to engage in business and savings activities, which are the basis of social and economic development.

[Question] Social expenditures, for example, how far would you go in balancing them? This is a major problem which you didn't have the time to tackle either and about which the Socialists are concerned.

[Answer] It so happens that I was also concerned about it and I left Social Security in a balanced financial position. I will tell you the conclusions I reached. First, the French are deeply fond of their social welfare system and it must not be touched. Second, to protect this system, runaway spending must be stopped. Third, when we examine the basic reasons for the increase in spending, we note that it is due to a number of factors, the most significant of which is hospital expenditures. Unfortunately, the French hospital bill has often been dictated by political considerations more than by public health considerations! Fourth, we have a problem which is related to the activities of the medical profession, which is growing larger and larger. Its solution requires two things: action before entering medical school, a moderation of the flow of students into medicine, and action after leaving medical school, to enable physicians to retire earlier and under better conditions. That would rebalance the demography of an increasingly saturated medical profession and would protect the kind of liberal practice of medicine which is in keeping with the desires of the French. Finally, there is a series of expenditures that are due solely and simply to demagogic behavior on the part of social institutions and which must be reduced. By taking action on the level of spending, it is possible to rebalance the social welfare system. It is true that a final factor of spending growth remains: the development of science and medical techniques. At the per capita income level reached in France, it is no longer a question, as in the past, of having the nation be responsible for all health care expenses. There is a financial and psychological limit to the expenses for which the nation should be responsible. A personal contribution for an additional guarantee is conceivable. Here we run into a problem of principle that is as large as it is difficult, somewhat as in the case of housing, if you will, with which I was formerly concerned: material aid or personal aid?

[Question] Then this would nevertheless be a profound reform of Social Security....

[Answer] To say that the system must be protected means that the French will not allow Social Security to simply vanish. But it is certain that in the coming years, it will be absolutely necessary to proceed with in-depth reforms.

[Question] Which means that you accept the idea of abolishing total free medical care for everyone?

[Answer] I believe that it will be impossible to maintain full free medical care for all individual health care expenses. We can try to maintain free care for a number of basic risks and for everyone. But it will be necessary to have the protection of certain less serious risks covered through personal contributions.

[Question] Insurance?

[Answer] Yes, or mutual benefit societies.

[Question] And adjusting contributions according to incomes?

[Answer] That would be still another stage, on the order of what I mentioned concerning material aid and personal aid; that is not to be ruled out, but it is difficult.

[Question] Would you go as far as also reconsidering the contribution to the cost of education by the French?

[Answer] That is a big question! It's intellectually tempting, but I'm not sure that it is politically feasible.

[Question] The present system results in additional inequities, since free university tuition, for example, amounts to giving further privileges to a social class which is already privileged to begin with.

[Answer] Can we come back to that? I'm not sure about it.

[Question] But do you believe that this is part of intangible national religions?

[Answer] A part of national religion is involved. If there is a policy which would be very attractive to modernize, in any case, it is that of tuition and, correlatively, the policy of scholarships, in order to guarantee young people who demonstrate undeniable talent the means to complete their studies decently.

[Question] You recently spoke about competitive universities; in such a hypothetical situation, does that mean that you would also leave it up to them to set their tuition fees?

[Answer] Yes. I support university autonomy in all areas: tuition, hiring conditions, organization of curricula and degrees. I think that at a certain level of intellectual development, there is no reason not to trust the universities!

[Question] Autonomy even concerning operating procedures, within the boundaries of general regulations?

[Answer] Within a body of general regulations and the allocation of a financial package based on the number of registered and attending students, with this package possibly supplemented, on the basis of multiannual agreements, by additional endowments for specific research studies and activities as well as by other nongovernmental contributions.

[Question] Then you are ready, intellectually and politically, to go quite far in reconsidering the state monopoly?

[Answer] Absolutely. In the case of universities, I believe that this is very desirable. That is what I told the National Assembly. I took a first step in this direction with the Preville Report, which I mentioned earlier. In my opinion, this was the only way to give back to the French university the dynamism and dignity which it should have. But you know that I ran into a few problems.

[Question] And you are considering the decentralization of secondary institutions?

[Answer] I also said that. It is absolutely necessary to decentralize establishments of secondary education by increasing the responsibility of heads of such establishments.

[Question] We mentioned the tax on inheritance as one of the measures likely to increase change and equality in French society. Do you consider that to be an important reform, using which methods and to what extent?

[Answer] I examined this question in 1976-77 when, it must not be forgotten, the majority groups at that time were expressing a certain taste for taxes on capital. I ordered a study of the general problem of taxing capital. In France, we have capital taxation linked to local taxation (the land tax, housing tax and occupational tax are taxes on capital), we have capital gains tax, now we have a tax on great wealth, and finally the tax on inheritance. That's a lot. When the study on capital taxation was completed, the Ventejol-Blot-Meraud Commission came to the conclusion that it was better to amend and increase the tax on inheritance rather than to introduce a tax on capital. I feel the same. But the entire capital taxation should be reviewed at that time and then make some choices.

[Question] If you are put back in power, would you be prepared to implement the Rueff-Armand Report?

[Answer] That report has existed since 1962. It contains a lot of good things. But behind the structures which it proposes reforming are people. Let's take the example of trade. God knows there has been a lot of talk about reforming channels of distribution. The desire for reform ends as soon as people notice that behind the structures, in a very heterogeneous France, are men and women who cannot be sentenced to unemployment, who cannot be eliminated: the small tradespeople in our cities and villages. That is the main obstacle. There are others, which are corporate and which are powerful in terms of votes!

[Question] Overall, how would you summarize your vision of a France that is both neoliberal and has a redistributive economy?

[Answer] The plan which I support is a plan for a market economy, for a modification of the extent and procedures of government intervention, for social interdependence, with respect for the inclinations which I feel characterize the psychology of the French: the inclination to work, to save, to establish and pass on an estate. These inclinations are essential to individual progress and to the progress of society.

[Question] One final question about the future of France, on the domestic level. What is your opinion of institutions? Don't you think that the president has too much power? Don't you think that the French system has been adjusted somewhat excessively or are you satisfied with the way institutions are working? Criticism of presidential institutions is developing among the present opposition. What do you think?

[Answer] I always tell those opposition members who complain about the present institutions that we should be glad that they exist, because they guarantee the stability of the executive branch. I am a big supporter of French institutions and I remain loyal to the spirit of the Fifth Republic's constitution because, in my opinion, it is very democratic: it is the people who decide with their votes in the final analysis. The basic conditions for these institutions to function are very clear. First, very great trust between the president of the republic and the prime minister. There cannot be any dyarchy; the actions of the two men overlap and are specialized at the same time. The second condition is a strong majority and the techniques of systematized parliamentary procedure make it possible to maintain the unity of that majority. Third, a majority vote is necessary.

[Question] The events of 1981 certainly showed that the presidential election takes precedence over the parliamentary election.

[Answer] And that is fundamental.

[Question] Aren't you sensitive to the extraordinary moral, psychological and political weight placed on the shoulders of a single man? Isn't that a somewhat republican version of the monarchical system? And further, don't you regret a certain humbling of parliament, which I find has been a characteristic feature of French political life for 20 years?

[Answer] Is parliament humbled by the institutional process?...

[Question] It is dependent on the presidential institution: the deputies are elected in the wake of the president.

[Answer] The British Parliament is elected in the wake of the prime minister.

[Question] Look at the number of bills which originate with parliament! The legislative branch is not really doing its work. In practice, it does not have the power of the laws.

[Answer] Do you believe that the legislative branch does more work than the executive branch in other countries? The submission of texts expressing a government program can come only from the government. Obviously, there are significant texts which can be submitted by parliament, but when they prove significant, they are placed on the agenda.

[Question] I have had the opportunity to observe the preparation of several important laws and I was always struck, because I was an outsider, by the extraordinary absence of the legislator. Laws are made by bureaucrats and the administration.

[Answer] That's French tradition. Perhaps French parliamentary tradition hasn't been adequately oriented, as in other countries, toward the formulation of laws. But that is not the fault of the executive branch. There is one exception: the Senate!

As for the weight on the shoulders of a single man, to answer the other part of your question, this is also the weight which rests on the shoulders of the president of the United States.

[Question] Ah, but the president of the United States does not direct the educational system, roads and bridges, the post office, does not make appointments to every position, etc.!

[Answer] That is one of the reasons why I think that a system in which government powers are decentralized and dispersed seems necessary. But the weight placed on the head of state or head of government will not vary much, because this is in the nature of things!

[Question] Final group of problems: the place of France in the world. France is no longer a great world power but remains, from many standpoints, a great country. How do you view its role and what is your opinion of the president's current policy, from the standpoint of East-West relations in particular? I would definitely like your analysis of communism from that standpoint. For example, what is your reaction to the Polish situation?

[Answer] East-West relations are established, first of all, between the two superpowers; there must be no illusions about that. They feel both an attraction and suspicion of each other, but their common interest is such that they have until now carefully avoided coming to blows. I believe that that will continue. For us French and for us Europeans, the problem is one of not becoming an object in the dialogue of the superpowers, of expressing ourselves and defending our interests. For European countries' interests are in Europe, but they also have other interests historically, particularly in Africa and the Middle East, and the repercussions of the East-West dialogue on these regions, which are very close to Europe in every respect, cannot be ignored. That is why I have always appreciated the policy which General De Gaulle began with the Soviet Union: a policy of detente, understanding and cooperation. It is a policy which was intended not only to establish the conditions for a balance in Europe, but also to encourage a certain thaw on the part of the East, in particular on the part of the People's Democracies, some of which have special historic ties with Western European countries. The policy of detente, understanding and cooperation has never been and must not be a policy of accommodation. It is not a policy which should lead to acceptance of the Soviet Union's attacks on human rights, on the independence of nations....

[Question] But detente is a recognition of the USSR and thus, in a certain way, it is approval.

[Answer] The USSR exists. It doesn't need to be recognized by anyone! Should it be ignored? That would hardly make sense. But let's get back to the policy of detente! Such a policy can be followed only if the Soviet Union's

partners are capable of defending themselves and intend to do so if necessary. General De Gaulle followed the policy of detente and cooperation at the very time that he was developing the French nuclear force. All succeeding French Governments have maintained our defense effort. My reproach of the policy of detente started by the United States in 1973 is that it was accompanied by a relaxation of the military effort and a voluntary decline of its presence in certain areas. In my opinion, it is essential to couple a policy of detente with a vigilant policy of defense.

Moreover, France is and will remain in the Atlantic Alliance and must fulfill all its obligations under that alliance.

[Question] You have no major disagreement with Socialist policy?

[Answer] It is based on the principle of independence which characterized the foreign policy of the Fifth Republic, but it has allowed the dialogue which we had with the Soviet Union, which was a very useful dialogue, to fall off. France needs a European policy which suits it, that is, a German policy and a Russian policy. In this regard, it cannot just adapt to the policy of others, such as the British policy prior to 1939, the U.S. policy since 1945.

[Question] Events such as Jaruzelski's coup in Poland have occurred....

[Answer] I'm well aware of that, but have other countries therefore restricted their dialogue with the Soviet Union? I was recently reading a statement by Mr Kohl, who said how much he wanted to maintain the same relations with the Soviet Union that his predecessor did. He even was considering regular summits with the Soviet Union and he will visit Moscow in July. No one protests when Mr Kohl is heard to say that, although he is a member of the Atlantic Alliance and NATO and therefore above suspicion: Why should France forgo the possibilities offered by a high-level dialogue with the Soviet Union? Because there are Communists in the government and because allied countries must be reassured!

[Question] What is the advantage? Is it an economic advantage, related to French exports to the Soviet Union, is it an advantage based on the anticipation of the liberalization of certain Eastern countries? What are the stakes in cooperation or lack of cooperation with the Soviet Union?

[Answer] There is an economic advantage, but it is not so great as in the case of the FRG, for example, which has always maintained close economic relations with Eastern countries. The liberalization of Eastern countries? Detente has contributed to this and the People's Democracies are therefore very attached to it. But the corset could be tightened at any time. The major advantage which I see in a French dialogue with the Soviet Union has to do with the conditions for a European balance.

[Question] A dialogue, yes. But haven't the Helsinki Accords been a total fiasco and the expression of the West's accommodation?

[Answer] The Helsinki accords were signed by all the Western countries in 1975. Do you believe in a collective mistake or cowardice? You are stern.

Since then, events have occurred which show that those accords are not being respected. We must not hesitate, every time that an official opportunity presents itself, to point out violations of those accords, whether the Soviet Union likes it or not.

[Question] There is the impression that the policy of detente, the Gaullist policy, has nevertheless led to further arming of the Soviet Union and to a military imbalance in Europe today.

[Answer] I just told you that it isn't Gaullist policy which has led to this imbalance. When Mr Nixon and Mr Kissinger began the policy of detente with the Soviet Union, they agreed to relax the U.S. military effort. A military disparity occurred between the Soviet Union and the United States. As for Europe, it is true that NATO, but that is its concern, allowed the occurrence--in the case of theater weapons or intermediate nuclear forces--of an imbalance between Soviet resources and its own resources. This must be rectified. That's why I believe it is necessary to deploy the Pershing missiles, as NATO decided.

[Question] What I have always found to be a weak point in Gaullist tradition is the statement: Let's get NATO to rectify that, that is, with the British, with the Germans, but without France. The argument is very hard to defend on the European level.

[Answer] France, to my knowledge is a member of the alliance. France practices a policy of understanding and friendship with the FRG.

[Question] Yes, but it doesn't have any weapons on its territory.

[Answer] France certainly does not accept NATO nuclear weapons on its territory, but it has its own weapons, which it reserves the right to use with full freedom within the context of its obligations to the alliance. The fact that France does not participate in the integrated military organization does not mean that France is outside the alliance. It is very important to understand this, because many people, in France and abroad, have an interest in maintaining the confusion.

[Question] Yes, but in spite of everything, at the European level it is often perceived this way and I'm not sure that this kind of French casuistry hasn't greatly favored the development of German pacifism.

[Answer] It is not, in the case of France, casuistry. France cannot have an independent policy if it doesn't distinguish between belonging to the alliance and belonging to the integrated military organization. But our alliance partners, after criticizing and suspecting us for a long time, have today become very appreciative of the clear French position.

[Question] There you are at odds with one of your mentors, Raymond Aron!

[Answer] I know! But please understand me! My analysis does not under any circumstances mean that France should adopt a neutralist position. As

the first point of this analysis, I said that France is a member of the alliance and must fulfill all its obligations under the alliance. But it must not be subject to the constraints of the integrated military organization under U.S. command. It must retain its freedom to make its own decisions. I am happy that the Socialist government reiterates this often!

[Question] And Poland?

[Answer] No one can observe the struggle of the Polish people for their liberty without sympathy and without hope. The problem is determining what we can do for the Poles. I believe that illusions and false hopes should never be given, especially in tragic situations. Poland is located on the route from the Soviet Union to the GDR and the West. Is it possible to imagine for an instant that the Soviet Union could be uninterested in Poland's internal situation? However, which Western countries would be willing to go as far as fighting a world war to resolve Polish internal problems? That is the problem which arose in the latter part of last year. You know the response! I consider it essential for us to denounce everything that is a blow to the freedom of the Polish people. The struggle which is being waged on behalf of the Poles is, above all, a moral struggle. It is perhaps the most important! The pope's position is very characteristic in this regard. In my opinion, we should avoid easing our consciences with boisterous or histrionic statements which we know have no chance of being followed by any action.

[Question] Isn't it necessary to go further and refuse to give the USSR, through detente, the intellectual and moral recognition which it seeks?

[Answer] It's not a question of giving recognition to anyone whatsoever. Do you believe that the USSR is seeking it? But I don't see that diplomatic relations between Western countries, the Polish Government and the Soviet Union have been suspended.

[Question] There is also a broader question, which is that of the nature of the communist phenomenon and its significance in the latter part of our century. It could be said that there is a Gaullist vision of communism which perceives it as an extension of eternal Russia and tsarism transformed into Stalinist totalitarianism, with which it is necessary to compromise; since it exists and since it is what it is, it is a force with which to be reckoned effectively. There is a Mitterrandian vision of the communist phenomenon, which is probably tragic and at the same time more sensitive to the modern totalitarian phenomenon which the USSR represents, with the threats which it represents to freedom. Where would you personally place yourself between these two visions, considering what you feel and what you know about this communist phenomenon?

[Answer] My personal feeling is that two things must be distinguished in the Soviet Union's behavior. On one hand, the Soviet Union is the heir of Russian tradition. Every time that Russian interests are at stake, the Soviet Union defends them in the way that the regimes which preceded the communist regime would have done. I would even say that from this standpoint, the Soviet Union's behavior is defensive. But at the same time, the Soviet Union

is a power with a messianic ideology of world domination. From this standpoint, Soviet diplomacy strives to utilize every empty square on the world chessboard, or to put itself everywhere that it senses weakness and the possibility of destabilization. It is a chessplayer diplomacy. That is why I believe that any policy toward the Soviet Union must necessarily be an ambiguous policy. At the level of government interests, it is absolutely useful and necessary for a dialogue to be established. But from the standpoint of the West, we must be well aware of the need for an overall policy toward the Soviet Union to thwart a conquering ideology.

[Question] Let's consider the problem of economic aid. In regard to Poland--if the Soviet Union urgently needs Western aid--wouldn't there be any retaliatory measures which could be taken, such as those which J.-Fr. Revel, for example, lists in his book?

[Answer] I don't believe that would yield any good results. I doubt that it is possible to inflict any major damage on the Soviet Union through economic sanctions. The Soviet Union has every opportunity to reduce its people's consumption, to obtain a greater effort from them for national reasons, and consequently to render sanctions ineffective. If sanctions had been taken concerning Poland and the Soviet Union, the Soviet Union would have suffered little, but the Polish people would have suffered a lot. On the other hand, I don't see how the Soviet Union can be allowed to take destabilizing action in Africa, Latin America or elsewhere. Economic, political and financial relations must therefore be implemented with the necessary vigilance and precautions. There is no reason to suspend East-West trade, but there are undoubtedly reasons for avoiding exports of advanced-technology equipment, just as there are reasons for not providing special financial aid to the Soviet Union. "Trade, not aid."

The problem for us Europeans, who live on the same continent as the Soviet Union, is one of avoiding a situation in which no dialogue could continue between the East and West. It is essential to avoid this for a very simple reason: Germany is in the heart of Europe, it is divided, and the FRG will never allow being totally cut off from the GDR. Thus it is contributing to European stability and European balance to proceed so that detente and dialogue in Europe can prevent Germany from being tempted to do things that would be harmful to everyone. Germany must not be exposed to consequences that it would find unacceptable--a suspension of the dialogue between the East and West.

[Question] Are you alarmed, like everyone else, over pacifist pressure from the German left?

[Answer] I consider the German pacifist left to be a new form of nationalism. The Germans are afraid of being abandoned by the United States. Since Mr Kissinger made certain statements to the effect that the president of the United States would always hesitate to sacrifice Chicago for Cologne, and in view of Mr Reagan's remarks about a limited nuclear conflict in Europe, the Germans have said to themselves: "We risk being used as a battlefield and being abandoned."

[Question] And you view that as a resurgence of the national problem?

[Answer] Exactly. That is why it is essential for the alliance to operate in the clearest way and why, within the alliance, the commitments made by the United States to protect Germany do not give rise to the least uncertainty. In the final analysis, the German problem is the tragedy in the heart of Europe.

[Question] How do you assess the results of Britain's entry into the Common Market?

[Answer] Britain does what its interests dictate. It wants to be in the community because it senses the historical significance of the undertaking, but at the same time it does not want to pay for continental farming. That is obvious. The negotiations for Great Britain's entry into the Common Market were conducted under circumstances which I considered totally unrealistic at the time: I didn't see how any British Government could, in the future, accept the workings of the joint agricultural policy. Those mechanisms are actually designed for agricultural producer countries, whereas Great Britain is an importer of agricultural produce. There would inevitably be tension between the only importing country and the other member countries of the community. In 1982, we saw nine member countries vote to increase agricultural prices against the recommendation of Great Britain. The reality must be faced today, in our interest and in the interest of the joint agricultural policy. We must find solutions different from those applied in 1972, when the French Government believed simply that the joint agricultural policy would be wholly accepted by Great Britain. Beyond the agricultural problem, the role of Great Britain in the community must be recognized, particularly in the political area. We will not change Great Britain. Let us try to live as best we can in its presence in the community, for the benefit of the Western part of our continent.

[Question] In conclusion, what is your view of North-South relations?

[Answer] From the standpoint of future decades, such relations will be the world's major problem. The question of the debt of developing countries, so disturbing at present, provides a summary of the mistakes made and the paths to be followed in the future. The mistakes made: the developing countries began policies which consisted of transposing the industrialization and management techniques of developed countries to countries whose environment was incapable of absorbing them, resulting in increasing waste and problems. To finance their development, these countries used short-term loans granted by banks which often indulged in outbidding each other and were little concerned about the terms of their loans. Public international aid is incapable of meeting all needs. Both developing and developed countries are now becoming aware of this, slowly but surely.

If we want to resolve, over the long term, the problems of developing countries, we must first aid the least privileged countries through public aid in the form of donations and countries which have begun their development process through long-term loans at tolerable interest rates. Secondly, we must guarantee interim financing which will enable them to attain cruising speed following a

period in which their indebtedness increased under conditions which were difficult to bear over the long term. Finally, we must be ready to open our markets to their products. In other words, we must consider a mutual adjustment process. On one hand, the structures of developing countries will evolve in a direction which will first enable them to meet their needs and then to export, in particular to repay the debt. On the other hand, industrialized countries will accept an adjustment process tending to transform their production structures; this will mean that services will occupy a larger and larger position in their gross domestic product, services which will no longer be in any way the tertiary services which Colin Clark talked about 30 years ago, but services characterized by a high technical level and which can therefore be a source of productivity. The development of this service society is related to the development of modern data-processing and communications techniques. We are in a period of transition toward a new world state in which structures will be very different, in which mentalities and behavior patterns will have to change profoundly.

In any case, the major lesson for me in recent months is what has been revealed by the crisis of Mexico, of Brazil, of other developing countries that are in debt and are incapable of meeting their financial obligations. What this crisis has begun to reveal is a system of collective management of the international financial system. We have seen central banks, international financial institutions, commercial banks and governments join forces to prevent the collapse of the international financial system. I believe that this is the course of the future, despite ups and downs and setbacks. We are witnessing a sharper and sharper awareness of the interdependence of economies and nations, in the East and in the West, in the North and in the South. We are witnessing the emergence, slowly but steadily, of collective management methods favorable to development, to stability and to peace.

[Question] Let's assume that you are back in power and that you are in turn enjoying your "grace period," what three measures would you take? Mitterrand enacted the Auroux laws, decentralization and nationalizations. What would you like to do?

[Answer] I'm afraid that, if what you say did happen, those who would be in charge of French affairs could not do everything that they would like. They will above all be forced to do what the circumstances require, that is, to save as much of what can be saved. I greatly fear the consequences of Socialist management and, in particular, the indebtedness of France. If that management were to improve and if its consequences change, I would be glad for my country. But I am waiting to see to be convinced of it. What I greatly fear is that we will find ourselves facing a situation in which the economy will be severely damaged, in which it will be necessary to cope with a considerable domestic debt and a massive foreign debt. The main task for everyone will be getting down to work as vigorously as possible to meet financial obligations. But this will have to be done under new conditions of freedom, initiative and responsibility, while being careful not to accept a makeshift accommodation to the structures of French-style management.

[Question] So we'll meet again in 1976?

[Answer] No, but there is a chance we'll meet again in 1958! [as published]

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DOMESTIC AUSTERITY AS THIRD WORLD AID REINFORCES STATISM

Paris CONTREPOINT in French No 44-45, [no date given] pp 61-67

[Article by Suzanne Labin: "Distorted Aspects of Aid to Underdeveloped Countries"]

[Text] I - "Progressive" Politicians' Infatuation with Backward Countries

Assistance for impoverished populations, North-South solidarity, aid to developing countries (we must not call them underdeveloped)--these are the noble banners that our socialist leaders wave at all national and international conferences. This is the symbolic proof of their altruism, of their good-heartedness, of their concern for the unfortunate. The generous communists (in times past murderers of 120 million undernourished souls in the world) are falling into step behind the socialists. For them, Third World misery is the fault of capitalists, the proof of their sordid egoism because they did not want to eliminate poverty from the face of the earth. In short, aid to destitute countries is the major theme of socialist-communist demagogy.

"Each year," these sensitive souls drum into us, "hunger kills 50 million human beings, including 30 million children." The president of the House of Deputies, Louis Mermaz, choking with indignation, asked, "Whose fault is it?" In French that was as vengeful as it was poor, he replied (at the Press Club of Europe 1 in July 1982), "It is a monstrosity of the capitalist system. It is also a real gulag and that is definitely capitalism."

One would think that men never died of hunger before the advent of capitalism, although of course the many dreadful famines in the ancient world and the Middle Ages did occur long before the birth of capitalism. But there have apparently been fewer and fewer deaths from famine as capitalism has developed. We could perhaps ask whether it is not the absence of capitalism that has caused hunger in the Third World and also in the communist bloc.

Has there ever been an underdeveloped country that was saved from misery by a Marxist regime? In the USSR, after 60 years of planning, the standard of living of the masses is as precarious as it was in the time of the czars. Without the food aid of advanced capitalist countries (the United States, Canada, the Common Market), the Soviets, still used to penury and ration cards, would be crushed by hunger. In socialist Czechoslovakia, Hungary and Poland, after decades of deprivation and lines, food riots erupted, were crushed by Soviet tanks, and were assuaged by American foodstuffs. Mao's China experienced an acute famine

in 1960 and the Great Leap Forward was never able to give the hundreds of millions of Chinese anything other than dungarees. In Cuba, Nicaragua, Angola and Vietnam, as soon as socialism appeared foodstuffs disappeared. In Cambodia there was famine and, without capitalist aid, there would not be any Cambodians under the socialist sky today.

Not having anything good to say about the fate of the advanced country that is still France (although not for long), President Mitterrand, throughout his trips to Africa, then at the summit of the heads of state and during his press conferences, continually reasserted his magnanimous "Third World orientation" and informed everyone that French socialism would focus its thoughts (for want of its resources) on the poor countries. Suddenly the courageous socialists fainted at the thought of such generosity, without once asking where the money would be found.

It is, of course, always easy and glamorous to proclaim right and left that you are going to help the hungry. But it is decidedly more difficult and restraining to find the resources. Especially when it has just been recognized that the cash drawers are empty, that there are billions of francs of debt, that the budget is in the red and foreign trade is floundering. It is almost indecent to play the role of the great philanthropist when you know for a fact that your wallet is empty and your credit is zero. And it is even more indecent when, from the pomp and ceremony of the Chateau of Versailles (for which some tidy sums were squandered), president Mitterrand announces in a trembling voice that he has put "aid to those who are hungry" as the priority item to be discussed.

But let's go on and ask our masters what resources will be used to dispense this manna to underdeveloped countries? Once again, the great socialist minds are selecting their course as they go, victims of their moods and boasting. Their verbal froth hides the fact that they have no concrete plans. In the Third World, as well as in France, they give lessons, they claim to be benefactors, they strut about, but they are not at all interested in hard realities.

Except in regard to aid to communist countries. For them they are still going to try to prime the "financing pump." By bleeding the French taxpayer to the last drop, Mauroy of the large heart can still draw off a few billion to distribute here and there in Nicaragua, Angola, Vietnam, Algeria and North Korea--all communist. And also to the USSR, which must also be placed among the countries dying of hunger.

We must realize that our magnanimous socialists do not lack imagination when it comes to exploiting the Frenchman for the benefit of underdeveloped countries. The first gesture of the benefactor toward the Third World--the French will pay for Algerian natural gas at rates 30 percent above the world market. The firmness of the socialist position in this regard has been clearly reaffirmed; the French will not only pay for natural gas but also for many other products from the Third World at rates higher than those of the international market. French-style socialism has been so profitable in the area of foreign trade (losses of 100 billion francs in 1982), that it can well afford this flourish.

The extent to which "advanced" politicians can be infatuated with backward countries is idiotic! Our avant-garde heralds scorn our rich, cultivated societies because they are supposedly lagging behind the "Historic Process." These superb professors of "progressiveness" have eyes, heart and soul only for the poorer countries. Before World War II, they wallowed in the flattery of the tyrant and starver of peoples, Uncle Stalin. After the war, the field of their intellectual and sentimental enthusiasm extended to include the feudal tyrant Mao Tse-tung, whose subjects were reduced to a bowl of rice and little "village blast furnaces." They then directed their adulation toward Ho Chi-Minh, 2 million of whose subjects led the hunger gripping North Vietnam to look for rice in South Vietnam. Then their panegyrics fell on Fidel Castro, whose economy was supported with outstretched arms by the United States, which bought his sugar at above world market rates! (It is a real obsession.) Then it was Boumedienne's wretched Algeria which received the adulations of our "progressives," even though his workers would have been reduced to poorhouse soup if France had not opened its borders, its jobs and its social security.

In times past the disciples of the Second International (Jules Guesde, Jean Jaures) and even Karl Marx, in keeping at least with the mission they had given themselves of "surpassing the most advanced form of capitalism," focused their sights on England, America and Germany and were enthusiastic about the latest technical innovations. Even if they did not succeed, they tried to think of the crest of the wave of civilization and "to surpass the most advanced form of capitalism" to use their terminology. Today, the disciples of the Third International (the communists), those of the Fourth International (the Trotskyites) and those of the Second International and one-half (Mitterrand-Mauroy-Jospin) are spitting on advanced capitalism and have turned their eyes, not to mention their gas lines, toward Russia of the icons, toward China of the coolies and great leaps backward, toward India of the Ramayana and sacred cows, toward Angola of black magic and red terrorists, toward the Palestinian-Arab countries of veiled women and unveiled bombs.

Henceforth, enlightenment for disciples of "advanced" socialism will come from the countries with the fewest light bulbs.

They justify their infatuation for backward countries by the wonderful future that the Historic Process has reserved for them. Our democracies are not entitled to share in this Historic Process, because the "progressives" only allow socialist or communist dictatorships access to history, the majesty of which is a convenient cover for hiding the crimes of these dictatorships. In the meantime, advanced democracies, which only have access to the present, are not forgiven for any waywardness. Note that when they taste the ambrosia of the Historic Process, these "materialistic" socialists are satisfied with artificial paradises. The contradictions they have locked themselves into do not bother them at all.

The rest of us from rich countries must apologize for having known how to develop our infrastructures all alone, create consumer societies, nourish our people, care for our sick, teach our children and advance along our own path, unique in the world: the path of democracy and liberty.

However, when we do borrow from other civilizations, if it is on cultural and spiritual levels, we take both from the West and the East; from one a belief and from another a science, because it seems to us that all civilizations have something to offer, not just the civilizations of underdeveloped countries. But if it is on economic and technical levels we borrow as much as possible from countries that are more advanced than we are, and not from those who have been racing for ages "to overtake and surpass us" without even succeeding!

Of course, some efforts made by some countries to escape from their ancestral stagnation can touch our emotions (I am not alluding to communist China or Angola, but to other free enterprise countries in the Third World such as South Korea, Taiwan, the Ivory Coast, Brazil, etc., which have made otherwise impressive gains, accompanied by less blood and unsteadiness). However, in no case should emotion be replaced by devotion.

I am not criticizing our so-called "advanced" politicians for their interest in the underdeveloped countries--we do it more than they do and with more disinterest--what I am criticizing them for is the way they adulate these countries. And the more deaths there are from hunger or fear, the more forced labor is used to build dams and pipelines, the more intellectual Marxist theories are declared to make rice come from the soil, milk from cows and eggs from chickens--all work our ancestors did for millenia without fanfare--the louder the adulations become.

Assistance to needy peoples does not mean that you delify those assisted. What is sold against these merchants of braggadocio, otherwise known as "progressive" socialists, is that they want to force these backward countries on us as if they were compasses for correcting our course, or torches from which to light our lamps. This is taking the efforts that should tend to change the miserable condition of these people and turning them into a speech apologizing for their regime as soon as the red flag is flying even though the fate of the masses is still disastrous. Especially when we know that these countries have a lot more difficulties than ours: their plans are never fulfilled, their distribution founders in long lines and rationing cards, cars and decent housing are only allocated to party bureaucrats and the many devaluations of their currency are never included in their pretentious plans!

II - Economic Aid Reinforces the State Structure of the Assisted Country

Instead of elevating those who should be pitied, our bighearted socialists should put on their thinking caps so that what they spend is at least spent efficiently. In this area, however, that is far from the case.

Although it is already more difficult to find money than to promise it to the Third World, it is even harder to spend it wisely. The socialists, for whom realities count infinitely less than eloquent phrases, have hardly stayed up nights looking for the best ways to provide effective economic assistance. They give (what they do not have), they wait and see, and they see chaos.

They hardly realize that the only goal of assisting an underdeveloped country should be to eventually wean the country from all assistance so that it can continue to grow on the basis of its own resources. But when this aid is provided by a socialist state (like Mitterrand's) and accepted by an authoritarian state like most of those in the Third World, it tends to reinforce the state-controlled structure of the economy of the assisted country. This is why the Kremlin (while giving almost nothing itself) has always encouraged the capitalist West to disburse its money and technology in underdeveloped countries. With few exceptions, aid given to backward countries through state channels has been the biggest incentive for collectivizing their economies, and collectivization is the best route toward communism. I have written a book "The Third World--Between East and West," subtitled "Live in Dollars and Vote in Rubles," which sums up the whole program. In this book I give numerous concrete examples of this bizarre game the Kremlin plays.

This state control of the economies of underdeveloped countries, like in developed countries, stifles individual initiative, slows indigenous development, aggravates misery instead of alleviating it and enchains the economy instead of liberating it.

In Allende's Chile, in Cuba, in Vietnam, in Angola and in many other Third World countries where the economy was collectivized, production fell to 30 percent of what it was before collectivization. Because of the considerable lag of countries with state-run economies in comparison to countries with liberal economies, the former are constantly begging for credits and technology from advanced countries. And they get this assistance, but instead of using it to help the destitute masses, a state bureaucracy allocates the funds to itself, drives Mercedes 500s, goes on luxurious trips with attendants and secretaries, and maintains dilapidated embassies in 150 foreign countries. In short, a budget-eating nomenklatura hoards the generous assistance for its own benefit.

That is, when it does not use the money to buy supersophisticated arms, with expensive "advisers" included. In some Third World countries, 60 percent of the assistance supplied by Western nations is allocated to purchasing arms from the Soviets (and their satellites), but the latter give these countries only 2 small percent of the economic assistance they pocket. They start as beggars, but these underdeveloped countries become conquerors. And since conquests are expensive, they become superbeggars!

Cuba, from which the United States has bought its sugar for ages at prices above world market rates, is spreading powder and fire in El Salvador, Guatemala, Angola and even as far away as Afghanistan. Angola, which receives assistance from many international organizations, is sowing gunshot and bombs to destabilize the African countries that are friends of the West. Indira Gandhi's India, which has made a massive appeal for foreign aid, which has received long-term interest-free loans from the World Bank and its sister organization AID [Agency for International Development], has included \$8 billion in its Sixth Plan (1980-1985) for the purchase of arms, a large portion of which will come from the USSR. It is understandable why Mrs. Gandhi refused to be part of the United Nations condemnation of the Soviet aggression in Afghanistan.

In sum, the underdeveloped countries, among which we should place the communist countries (at least as regards the production of consumer goods) are in debt by \$600 billion to date. Yes, \$600 thousand million. Most of these countries will never return either the principle borrowed or the interest. They are now bankrupt. If they have not declared bankruptcy it is because they have never been able to even calculate a balance sheet!

The lines which, in Poland, in Vietnam, in Cuba and in Angola, grow as these begging countries receive more aid from rich countries, indubitably prove that this aid has not helped them at all--not even for emerging from their underdevelopment, or making them capable of feeding their own population, or making them more peaceful. It has only helped them perpetuate their dictatorships and their arrogance. These countries are a bottomless pit through which our money, our resources, our abilities, our efforts and our security pass with no lasting effect.

To top it all off, our socialists, who call themselves "advanced" and "generous" and who look for their models miles away in countries where the semi-literate oppress the illiterate, could find models right around them. Yes, right around them in our countries of free enterprise where a real progressive movement--a movement based upon real democratic reforms--constantly improves the dignity of man. Where a real science--science based upon free research--distributes its benefits to the individual as well as the community.

With the advances in automation, in operational research, in social psychology and in medicine, our free enterprise countries, although capitalist, are the ones that are clearing the path to an effective and humanely managed economy, while the so-called "plans," through which our socialist-communists claim to impose reason, can only be bluffs because in their regimes reason must submit to censorship.

One revolution dominates our century. Not the revolution of Karl Marx, Mao, Stalin, Castro or other ineffective combatants. The name of this revolution is "industrial progress." Industry, in fact, has the irresistible force for generating real revolutionary development because it causes a considerable increase in well-being, culture, knowledge, initiative, riches, and freedom of the masses. This is why all backward countries succumb to its magnetism.

But by elevating the humble, the industrial revolution, which can flourish only in conjunction with free enterprise, threatens the political absolutism that has always bound the socialist state. That is why Marxist leaders and ideologists have always felt obliged to contain the industrial revolution with a bureaucratic and police framework so rigid that there is no chance of giving any say to the opposition and, thereby, freeing the workers. In short, the historical function of Marxist socialism is to implant the technique without spreading liberty, to industrialize without emancipating. It is therefore, primarily a counter-revolutionary function.

This fact should have been immediately apparent to our French socialist ideologists and cautioned them against aligning with the communists, if the abuse of logomachic systems had not taught them to disregard facts. Facts, in these

countries of state collectivism, show that steel production increases as the human condition declines, that dams are built with the blood of prisoners, that pitiful plans are enforced by the merciless knout.

On the other hand, human progress--which is the only revolution worth anything--has leaped ahead in all areas in western Europe, in America and in Japan, because freedom reigns in these countries. And it has declined under all socialist-communist regimes because dictatorship reigns there. So the socialists-Marxists that consider themselves "advanced" have resolutely turned their backs to whatever progresses, one year after another. And they reserve their sympathy for everything that, one year after another, declines.

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ANALYSIS OF MINOR 'CENTRIST' POLITICAL PARTIES

Athens MESIMVRINI in Greek 1 Oct 83 p 9

[Text] The period we are going through should be ideal for the development and strengthening of the small parties, of the parties of the so-called "Center" as well as that of the Euro-Communist Left (the KKE-Int.). The reason is simple: PASOK, a party which obtained an especially high percentage (48 percent), by absorbing mainly traditionally centrist votes as well as those of the moderate Left, is deteriorating rapidly and those dissatisfied within it are increasing in geometric proportion.

Therefore, both the centrist parties or groups and the KKE (Int) should have the potential to compete, the former with the "ND" and the latter with the KKE, to absorb, respectively, centrist and leftist voters who are dissatisfied with the socialist "change." Such a potential is heightened by several weaknesses of the large parties which are either to the Right or to the Left of PASOK in view of the fact that, on the one hand, the "ND" continues not to dare effect a radical renewal of its image that might allow a more dynamic attraction of centrist voters, while on the other hand, the KKE remains--despite its indisputable organizational abilities--vulnerable because of its absolute attachment to the Kremlin.

Despite this reality, however, objective data indicate that neither the centrist parties nor the KKE (Int) are in a position--for the time being--to win over dissatisfied PASOK voters who, either move to the two large opposition parties or still remain politically undecided. Why though--if these theories are correct--is this phenomenon recurring? What can explain the inability of the small parties to exploit even the most favorable coincidence? Are there perhaps possibilities for the small parties, if they overcome certain problems of theirs, to play a decisive role soon on our political scene?

The "Centrist" Forces

The so-called "centrist" forces, which appear today on the political scene, are all "products" of the breaking up of EDIK [Democratic Center Union] after the 1977 elections. What remains of EDIK is (typically), as is known, under Mr. Zigdi's leadership. The KODISO [Democratic Socialism Party] comes mainly from elements of the "New Forces" (what was left of them) under the leadership of Mr. Pesmazoglou. Mr. G. Mavros, who initially moved for the "unification" (?) of the centrist forces prior to the 1981 elections by creating the "Center Line-up," in the end preferred (for the time being) the refuge of PASOK's ticket to

power. Finally, Mr. Nikitos Venizelos reconstituted the Liberal Party prior to the 1981 elections and was recently joined by Mr. Khondrokoukis who took over as its parliamentary representative.

What is the political "nature" of these parties, however? How do they differ from the other parties and what kind of image do they project? Before we address ourselves more specifically to the parties in question, it would be proper to mention, as a general observation, that all these centrist forces vividly mirror the more generalized confusion and contradictions existing within EDIK of the 1974-1979 period and mainly the collision of a centrist (but always vague) "liberalism" with a center-left (just as vague) "socialism." Thus, one could say in advance that the image of all these parties generally remains in flux. More specifically:

The ODISO

1. The KODISO is, comparatively, more active than all these parties with a somewhat more tangible image and, above all, it appears to be detached from the known "old political" creations of the traditional Center. Its president, Mr. I. Pasmazoglou, a technocrat who enjoys wide esteem even abroad and whose political decorum is an example to be emulated, has difficulty in inspiring the broader masses as yet. Both he and the principal cadres of his party emanate a certain "elitism"--unintentionally, of course--which inevitably limits KODISO's effect. However, the main problems of KODISO are not so much related to individuals (many of whom are renowned professionals), but with its image in general.

KODISO's democratic socialism, which is desperately trying to "wed" the traditions of the Liberal Party to the European social democracy, remains not only hazy and minimally convincing with such statements as: "The liberal movements in Greece have always had an intensely national-liberation (!!) and social substance." (13 Dec. 80). But even in the all-significant subject on how it perceives the role of the state in the economy, KODISO remains nebulous and contradictory: Thus, for example, earlier (13 Dec. 80) KODISO was for a "collective organization of the economy," a position obviously eminently pro-state and collectivist. On the contrary, it recently appears that KODISO's president has discovered the neo-liberal economics of supply (supply-side economics) and spoke out not only about cutting down state expenditures, but for "a substantial reduction of taxation factors" with 50 percent as the highest taxation limit (18 Sept. 82), thus bringing to mind "bold" postures which Mr. Manos had recently taken.

In trying to balance its efforts to show "progressiveness" with "leftist" rhetoric and realism with recent neoliberal openings (these also disguised, of course, by socialist proclamations!), KODISO is not in a position to give a clear political hue on today's political scene. This makes it eminently powerless to make itself radically distinguishable, both from the "reactionary ND" (according to KODISO and from the ("progressive?") PASOK from which KODISO should mainly expect to attract voters. Vagueness such as "the ideological vision of KODISO is different from PASOK's drama" (June 1981), a continuous "EEC talk," as if the main difference between KODISO and PASOK were only the EEC matter, or a monotonous repetition of the lack of clarity about "democratic socialism" with, finally, the elevation of simple analogy (about) ideological principle (!), contribute minimally

to whatever ideological clarification is necessary for KODISO to become a pole to attract dissatisfied PASOK followers.

At this point, it should, however, be noted that within the KODISO framework there operates the Center of Socialist Studies with Mr. A. Drosopoulos as director. This center constitutes an instrument for worthy research to clear up the image of KODISO, except, however, that its efforts, for the time being, collide either with some old party members or with ambitious intellectuals who at least rhetorically insist on making a show of "Leftism" and continue to project outdated state-interventionist views.

The EDIK

2. Mr. Zigdi's EDIK appears to be "dead" organizationally, but it appears that even in the ideological field it has very little to say that would give it a different political structure. From the statements on "humanistic socialism," the opposition to "capitalism" that threatens the "continued existence of man on earth(!)" to the statement that while "Marxism is passe" it is, however, "one of the many means for achieving political goals (!!)," to the faith in the "centrist mentality" (?) the only thing that emerges is complete confusion and vagueness which neither make EDIK basically different from the government's ideology nor can it truly appeal to PASOK's followers. References to the past such as that EDIK "is the continuation of the change Plastiras-G. Papandreou" (October 1981) show how EDIK is still mainly attached strongly to memories of the past.

The Party of the Liberals

3. The Party of the Liberals has not been able either to give--at least for the time being--a clear ideological presence. The PASOK references to its cadres do not replace its own generally unknown positive positions and despite the appeal of its leader's name or the pugnaciousness of Mr. Khondrokoukis, its influence should be considered as being strictly at a local level.

Mavros' PARKE

4. Finally, Mr. G. Mavros (and the nonexistent PARKE [Array of the Center]) does not appear to have anything new to propose or to play some important role outside the bosom of PASOK, of course. Already, before the 1981 elections, Mr. Mavros suddenly abandoned his nationalization postures and pro-socialist rhetoric, which he had adopted as leader of EDIK, and presented himself with strongly liberal anti-nationalization views, strongly criticizing the extensive nationalizations in our country! ("which has taken on dimensions which exist in no other country," he said). These colliding positions became even more incomprehensible when he joined PASOK, known for its efforts to increasingly "nationalize" the economy... Based on these facts, the credibility of Mr. G. Mavros is (at least) diminished...

In conclusion: The centrist parties suffer, in addition to their multi-fragmentation, from lack of a clear political image which can appeal to the voters. As long as they do not clear up their image, regardless of whatever

temporary attachments of individuals under the "centrist" banners there may be, they are condemned to the fate which befell EDIK. To all this add the lack of a political leader with the ability to indicate clearly and boldly "another" path between PASOK and the "ND."

The Communist Renewal

When the KKE (Int) appeared in the political firmament, there was a general hope that it would develop into a party in step with the times, clearly different from the KKE as well as breaking away from the Marxist-Leninist roots of our country's Communist movement. Under these two premises, the KKE (Int) could, with some success, attract a significant portion of the non-totally extremist and orthodox Left. The KKE (Int), however, despite evident (but also faint-hearted) steps to set itself apart from the KKE and despite some "liberalization," still maintains strong Leninist traces... Thus, for instance, while the KKE (Int) criticizes the violations of human rights in the countries of "living socialism," these criticisms are very "careful" and, at best, not totally substantiated. For example, Mr. Kyrkos claimed in the Europarlament that, while the KKE (Int) condemns "evident violations of human rights" in the countries of living socialism, it does not agree to condemn "the political institutions which have historically formed them"--namely, the institutions of totalitarianism which made possible the "evident violations" (!!). At the same time, this party maintains close relations with two crude totalitarian and provocatively dynastic regimes, those of Romania and North Korea, which it outrightly "flatters" from the columns of AVGI (for example, there was the mention of a "democratic movement" which was being expressed by the CP of Romania (!), the organ, that is, of Stalinist oppression in that country!). Thus, we have the paradoxical phenomenon where the KKE (Int) demonstrates in favor of Lech Walesa and maintains absolute silence about the "corresponding" Romanian "Walesa," the worker, Vasile Parastsin, whom the Ceausescu regime has arrested and, as a matter of fact, actually has made him disappear.

The fact that the KKE (Int) does not cut itself off from its Leninist roots favors the KKE absolutely, of course, because the ideological struggle with the orthodox communists is actually taking place on their home turf, that is, within the framework of Marxist-Leninist theory where it is natural for the orthodox (and perhaps the more "faithful" and "clean") interpreters to prevail. In other words, in the contest between KKE (Int) about who is the true Leninist, it is evident that the KKE would be the winner.

The Problem "from the Right"

The KKE (Int), however, does not only have to cope with the problem "from the Left," namely, the KKE, but also "from the Right," that is, PASOK. More specifically, it does not dare or does not wish to differentiate itself from the government in a strong way by exercising a dynamic and "no holds barred" criticism with the result of being in danger, without its own clear image, of turning into PASOK's "tail." On this subject, Mr. Zouraris (member of the Central Committee), very correctly pointed out in POLITIS that with "the continued identification of the party (KKE Int) as bringing up the rear of someone else's affairs,

any shaping of an image of its own is gone." "The Interior," he added, "will not be convincing that it fulfills independent political needs if it does not acquire an independent stance." A characteristic example of KKE's (Int) submission to PASOK was the affair of Panagoulis' expulsion, when the Interior rushed to save PASOK's leadership group (!) by emphasizing that "St. Panagoulis did not act correctly because, independently of his positive intentions, the whole affair was advantageous to the Right." (!)

However, beyond the more specific tactics of KKE (Int) vis-a-vis PASOK--but perhaps even in coordination with it--the entire ideological aspect of Communist "innovators" does not make them any different from the Movement in a decisive way... and the KKE (Int) (as well as PASOK) talks about a... "third road" towards socialism (!) which is also (as is PASOK) to be found between social democracy and "living socialism..." Now, what the differences are between the... "third roads" is not easy to determine. In the economic sector, the policy of the KKE (Int) anticipates a mixture of nationalization and self-management--something that differs little from the corresponding "theory" of PASOK, to the degree, of course, that one can attempt to analyze the various nebulous terms (for example, "socialization") and then to examine their true meaning. Generally, the KKE (Int), as is PASOK (but also more openly), is clearly opposed to private enterprise. In matters of foreign policy, as with PASOK, it follows an ostensibly balanced course between East and West, however, always (but often to a lesser degree than PASOK) prominently pro-Soviet. Thus, a recent resolution of KKE's (Int) Central Committee considered the Western alliance as the main expansionist force, while it maintained (in spite of the recent events in Afghanistan or Poland, etc.) that the USSR constitutes a "checking element against imperialist aggressiveness!"

With all these postures which differ minimally from those of the government, the uncritical "assistance" towards "change" and its undefined "third road," the KKE (Int) drags itself behind Mr. Papandreou instead of differentiating itself from him in a way to attract his dissatisfied voters. Under pressure of questioning cadres, surely, the KKE (Int) recently invented a new term to justify this fellow-traveling, speaking now about the need "to reverse the correlation of forces in the change bloc." The reversing, however (which means, in simple terms, the increase of KKE's (Int) influence in the "broader area of change" and on PASOK), is, of course, impossible to effect if KKE's (Int) image has not been defined and its ideological diversification from PASOK does not become crystal clear (something that, for the time being, is not happening).

In any event, within the KKE (Int), the reactionary work to the policy of "PASOK's tail" and "Leninist" semi-orthodoxy is intensifying. Many prominent intellectuals (for instance, around the POLITIS magazine) are withdrawing from KKE (Int) and aim at alternate parties which can express up-to-date currents of the renewal of the Left.

Conclusion

Despite the favorable chances, then, the small parties, those of the Center and the KKE (Int), do not appear to be in a position to play some determining role, based on today's facts.

The parties of the Center are either trapped by memories of the past ("Venizelism"), or they are buffeted between some kind of nationalizing socialism of the Western type and a confused liberal tradition. The tendency of the majority of these parties to be trapped by ostensibly "progressive" leftist slogans makes them extremely unconvincing in their differentiation with regard to PASOK. The main problem of the centrist parties is, as already pointed out, the lack of a clear image which will give them a strong individuality in our political life. With rhetoric and contradictory postures or simply lack of positions, the centrist parties are going to remain unavoidably marginal, especially in situations of polarized party rivalry.

In turn, the KKE (Int) is also trapped by dogmatic weaknesses of the communist movement and the pseudo-progressive compulsions which stem from the "alliance of change," with the result that it can neither cope with the KKE decisively nor have the possibility to differentiate itself from PASOK forcefully. It is possible, as long as the KKE (Int) continues on this path, that its most prominent cadres (and in this area there are questioning and democratic individuals of significant merit) may begin to search for other shelters all the more forcefully.

Both the "Center" and the innovative Left are tossing about on our political scene, basically seeking some image. It is only when they find it--and everyone should wish that something of the sort happens because the role of these forces can contribute in a positive manner to our political affairs--that they will be able to escape from their marginal positions. In order for this to happen, however, they must get rid of the weight of whatever "tradition" or the dictates of the "progressive" twist that was imposed on the Left and Center-Left in Greece after 1974 and to gain the interest of public opinion with new, fresh, bold non-traditional postures.

9731

CSO: 3521/43

PASOK-ND POLARIZATION SEEN BANE TO DEMOCRACY

Athens I KATHIMERINI in Greek 2-3 Oct 83 p 4

[Text] The parties being unable to offer solutions to the political, in the broader sense of the word, crisis which the country is experiencing, contribute to the polarization of the climate. The potential of the parties is wasted in mutual confrontation, in the effort to catch the people within the margins and actions which they themselves "employ." However, probably for the first time in the past few years, the political quests escape the narrow margins of the parties, in view of the fact that the latter limit themselves simply to confronting the opponent and do not go beyond working out the perspectives in store for the country after the worst social and economic crisis of the post-war era.

Under the surface, the people join the broader political groups: conservative, centrist and leftist, leaving aside, to a great degree, the sharpest confrontation of the political groups. This development of the people may come politically near certain parties, which claim these positions, but have nothing else in common with them. The parties base their survival and their prospects in the confrontation, sharp and unrelenting towards the opponent, hoping to perpetuate the practice of the negative vote. The governing party, is, of course, at the forefront of practicing these tactics as it is still persecuting the Right, 2 years after having come to power. For PASOK, the Right is a moral issue, the evil "wherever it may be." The appeals to public opinion have this moral dimension: the government must remain in power in order to prevent the Right from returning, independently of whether the administrative behavior of most of the top ministers and especially the premier, Mr. A. Papandreou, surpasses in high-handedness the worst moments of the Right.

By dividing the people into rightists and leftists, good and bad, according to their party preference, as is actually done with the soccer teams, the leadership of the administration is trying to create guilt feelings in those who criticize it. "He who is not with me is against me," according to the favorite slogan of many "politicians" of the era between the two World Wars. But by forming conservative, centrist and leftist sectors, the people regained their political sensitivity along with the dialogue and tolerance for the other point of view, knowing that only through this practice can democracy be built. The tension remains the prerogative of the leadership of the government and party leaders without being able to penetrate deeper, as is manifested in all the demonstrations of the past few months. The defection of voters from the governmental line-up,

the near political suffocation that can be observed in the street and the large number of changing votes, which always existed in our country, constitute the counterweight to the efforts of the parties at polarization.

The Complementary Opposition of the Parties

From Right to Left the parties that appeared in our country after the war were a simple projection of certain foreign models: from the East, the traditional Left; from the West, the Right and from the coffeehouses of Western metropolises, the variations of the Left. The political pondering narrowed and was adapting to the foreign models: Eurocommunism appeared in the West and we offered the same dish, only with local flavor, i.e. orthodoxy. The industrial system invaded Greece with all its extensions and was established--if it was ever established--on the traumatic experiences of the civil war. The wounds had to heal in a hurry, forcing the people to chase after the consumerist vision of Athens while at the top the "opposition" and the survival of the parties was being kept intact.

The capital, the only tangible result of the post-war era, is the product of all parties, from the Right, which is responsible for its "manufacture," to the Left which played a perfect complementary role and the present-day PASOK, which is doing everything to maintain it, with Mr. YKhop [Ministry of Zoning, Housing and Environment] and his colleagues at the forefront. The parties each offered the best solutions in competing for the amounts of consumer "goods," with Mr. Papandreou surpassing everyone in the bidding. Regardless of whatever bothered the country, its solution could be found in the foreign sacred books and, if no solution could be found, a scapegoat could always be found: the opponent, the communists 30 years ago, while today it is the Right.

As long as the industrial system worked satisfactorily, the consumer visions of the contractors "served" both the country's economy and the "needs" of the parties. In their mutual coherence they set up the unions of the capital along with highhandedness and their party machines next to the coffeehouse owners, the merchants and small industrialists. The more one accepted the industrial system and became attracted to its machinery, these poor imitations of industrialized countries, the better became the prospects for climbing in the party hierarchy of the parties of the traditional Left. On the other hand, these prospects sometimes went hand-in-hand with commercial contracting enterprises to promote the economies of sister socialist countries. Everything had been arranged almost perfectly.

The contractual career was favored by the total absence of an industrial infrastructure in our country. Greece was a latecomer to the industrial world and remained on its sidelines until the time of its present great crisis. It was on the sidelines, but it survived because of the nervecenter of the system, through contracts and retailing. Perhaps because of this it never built the infrastructure that characterizes every industrialized country, the large industries with the tremendous permanent installations with the social and political projections which necessarily follow. Thus, even its party formations had the characteristics of marginality and imitation, poor imitation without roots in the country and without any possibility of offering anything more than hand-me-downs, whatever was left over from abroad, they hurriedly brought to the flea-market.

Contempt for Polarization

In our country, almost all parties were never able to function democratically despite the fact that the constitution of 1975 recognized them as basic democratic institutions. The constitutional directive was never translated into action, perhaps because the parties were never able to capture and transubstantiate into political practice some solutions for the country's problems. For this reason, they always worked in a domineering and high-handed way, surviving as long as the leader "drew" the people. The practice of both the Right and the so-called democratic parties, with PASOK as their most "perfect" expression, was exactly the same, confirming the conclusion that they offered the same pap from the same bowl.

On the Left, totalitarianism and the absence of any dialogue was the main characteristic of the parties that appeared with the first KKE. The dependence on foreign models was not only ideologically stifling--nothing goes unless it has been approved by Moscow--but in practice as well, when it followed the Soviet model in its fascist adventures, in the Gulag, in Afghanistan, in Poland and the Korean jumbo jet. It appears that the top leadership of the government was envious of this glory of the KKE, perhaps because it only knows the old communist "political" jargon or perhaps because it has lost its hopes to regain the other democratic classes and leans for support only on the "aparatchiks" on those who remain faithful.

Factionalism was the main characteristic of the manner in which Mr. Papandreou's party worked. The party nuclei always constituted its counterweight every time it wished to avoid democratic dialogue with those in parliament or the "114 generation" and the resistance to the dictatorship. Fractionalisms, however, were governed by Third-World perceptions and the fanaticism of the neophytes. With the coming to power fanaticism evaporated as was natural; drive remained atrophied as the voters slipped away and the party faithful demanded payment for their "labor of serving" the leader's policy for so many years. At this point, Kastris, began to perceive that handling the party faithful is not an easy job.

All this demonstrates to the people both the inability and the unwillingness of the parties to cope with our political problem. The bankruptcy of the post-war economic "miracle" necessarily carries along with it the bankruptcy of those who express it. At the same time, it reveals, under the surface, the dealings that take place for the disassociation from all parties that built the "miracle." No matter, it is a blessing for the Greek people to be disassociated, at a critical period, from an entire era, and as all appearances indicate, without panic, but, on the contrary, with calmness and agreement, with courage and self-confidence.

Only thus can it be explained why, despite the efforts of the parties and mainly of the top government leaders, the people stubbornly refuse to accept the polarization. Rather, there is something more positive: not only do they reject it, but they have contempt for it as a practice, choosing their way in a new search, even at the crossroads. They recognize, for the first time, the need for the

existence, perhaps because in searching through its roots, it remembers that this is a democracy and join, according to their preference, the conservative line-up, the middle-of-the-road and the Left, leaving behind the traditional ways, their shouting and their preconceived ideas.

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COMPARATIVE ELECTORAL ANALYSIS SHOWS PASOK LOSING GROUND

Athens | KATHIMERINI in Greek 16-17 Oct 83 p 6

/Article by Nik. Nikolaou: "Common Belief of PASOK's Decline and Failure"7

/Text7 The party fiesta the day after tomorrow no matter how much it reflects the psychology of PASOK's leading group, which prefers the monologues from the balconies instead of the debates in the Chamber of Deputies, serves first of all the autocratic objective of this group to exercise strong psychological pressure and to keep caged its departing followers. The significant changes in the electorate, as indicated by the recent results in professional associations, which were unprovable to PASOK, etc., began to shape a public conviction that the government's influence is declining. Precisely for this reason is an effort now being made to reverse this public conviction in a well-organized "Roman triumph" which will be broadcast at the zenith of publicity by the state-controlled media and the pro-government press in the hope it will act as a barrier to hold back the outflow of followers and voters.

Two years after the October 1981 election, the correlation of political forces has changed radically against PASOK. The autocratic style of government, the absence of democratic dialogue with the social classes, the dangerous acrobatics in foreign policy and above all the destruction of the economy, have caused pressing worries and agonizing questions about the country's future in the minds of all those citizens who are not fanatic and who have nightmares thinking: "where is Andreas taking us?"

These agonizing questions are naturally more intense among the centrist voters who in 1981 supported Papandreou's PASOK, because they believed in his deceptive slogans for change and more democracy. The attitude of these voters is precisely what worries PASOK now. PASOK's leadership tries to lock them in its ranks with the show of strength scheduled tomorrow at Syntagma Square.

It is recalled that during its rapid rise in 1981 PASOK succeeded in taking over almost totally the Center forces, expanding even into the area of the New Democracy. On the other hand, it succeeded once again in keeping many followers of the traditional left, who systematically voted for it, having as their purpose in life the removal of the Right from power. Promising everything to everyone, PASOK portrayed itself as a classless-populist camp of all non-privileged Greeks and attracted to its ranks the non-privileged workers

(apparently the privileged ones voted for KKE!) and the non-privileged small businessmen, tradesmen, merchants, industrialists, and shipowners, many of whom of course were not too fanatic Third World socialists, but simply citizens loyal to the democratic system of free economy, who simply hoped for a change for the better. This is precisely the wider spectrum of origin of the Movement's voters, which is the permanent nightmare of its leadership and the main reason that makes PASOK's leader run from one side to another, make contradictory statements, sign an agreement for the bases and on the other hand curse the Americans, to worship God on one side and Marx on the other, socialize the enterprises and on the other side declare his loyalty to private initiative, etc.

Specifically, PASOK won the elections in 1981 because it succeeded in absorbing almost all the followers of the old Democratic Center Union /EDIK/ (approximately 600,000), a significant segment of ND followers (around 550,000), and most of the new voters (approximately 300,000 out of a total of 540,000). Therefore, out of 1,300,000 votes in 1977, PASOK increased its electoral support to 2,725,000 in 1981 or from 25 percent to 48 percent, respectively. It is therefore proper to assume that without ND's "gift" PASOK's electoral strength would be only 2,175,000 or 38.4 percent of the total and PASOK would not have won. It is also recalled that in the Euro-elections which were held at the same time PASOK received 40 percent of the total vote, and the difference of 0.8 percentage points went to the two communist parties (6 points) and to the Party of Democratic Socialism /KODISO/ (2 points). This unexpected differentiation is sufficient to explain why the pre-election commitment to legislate the simple proportional electoral system was reduced after the election to a promise to introduce some system of simple proportional.

The first serious indication that the Movement was losing ground among the Greek people came in the municipal elections of 1982 exactly 1 year after PASOK came to power, while the second is expected in the Europarlament elections scheduled for June 1984, 2½ years after it came to power. Sporadic and intermediate indications of PASOK's decline are offered by the elections in professional associations and clubs.

Judging from the results of the municipal elections on the first Sunday in the largest cities and towns one can see that PASOK's electoral strength (without other "democratic" small groups) came to 38 percent while ND's strength (of the center-right in general) seems to have exceeded 40 percent. KKE's strength reached the magic 17 percent. These percentages, of course, do not indicate any particular decline in PASOK since 40 percent is what it received in the October 1981 Euro-elections. But it is an indication of two developments which must worry PASOK's leadership, namely:

The outflow of leftist voters from PASOK toward KKE is intensified and there seems to be a danger that they will not return in the event of a parliamentary election. KKE, from 10.9 percent in the 1981 parliamentary election, received 12.8 percent in the Euro-elections and 17 percent in the 1982

municipal elections.

It must be underlined that these realignments took place within a year after PASOK came to power, that is, before the results of the government's policies in the various sectors became visible. One must assume, then, that the inevitable further decline must have increased in the second year when the following became clear:

First, PASOK's complete failure in economic affairs, which has affected the entire Greek people, since it has hit large segments of the population whose political preferences--it is logical to expect--must have moved at least to some extent. Of course, Papandreou's advisers who always give him a false and pleasant picture, console him by saying that the people do not vote with narrow economic criteria.

This may be true in critical periods when the defense of principles and national interests pushes to the side (life's) problems, but this does not apply today in a peaceful and calm political and social period when large segments of the people are losing, step by step, benefits and economic levels they already have. The inability of the government to hold down inflation, the tremendous rise in unemployment, the decline of the people's real income, the fall of industrial production, the unprecedented shrinking of foreign exchange receipts from exports and invisible earnings, the heavy indebtedness of the economy abroad, and other sad developments will weigh heavily on the attitude of the voters more than the loud slogans which will be heard the day after tomorrow in Constitution Square.

Second, PASOK's "moderate" policy on questions of FEC, NATO and the "Bases of Death" has disappointed the hopes of its Left Wing.

Third, its preposterous policies on questions of the country's foreign orientation, which have displeased the voters of centrist origin who are justly afraid that the change in the country's foreign orientations will affect, sooner or later, the domestic social regime.

Moreover, the government's tactics on syndicalist issues (appointed administrations, strike restrictions), public administration (elimination of capable cadres and the promotion of incompetent speculators, appointments only with the approval of PASOK branch organizations), tax issues (Real Estate Tax /FAP/--no more FAP but then FAP again), industrial issues (supervisory councils, war against the industrialists), transportation and pollution (both a pollution cloud in Athens and restrictions on private car circulation), and many others, have caused strong reactions in many categories of incidental or not so incidental followers of various shades.

Of course, the leadership of the Movement believes that from such an action, which hurts a given class but supposedly benefits the people as a whole, PASOK gains. The question, of course, is whether the people in general are indeed benefited. This is relative, while it is certain that the specific groups that are hurt rise in opposition in their majority against PASOK which

they vote down with vengeance in branch organizations and local elections.

The Losses

On the basis of the existing indications, it is not possible, of course, to assess the further PASOK losses in popular support. These losses will be registered officially in June 1984.

Anyway, this is certain: The mosaic of tendencies, shades, and ideologies which made up PASOK with its only connecting link the promise to everyone for everything, must now be shrinking since it is humanly impossible to have a policy that could satisfy contradictory and conflicting interests.

PASOK must have already lost almost all ND voters it took away from it in 1981, and in addition a significant number of leftist voters who joined KKE. So, today's correlation of forces appears to be as follows: PASOK, 34 percent, ND, 45 percent, and KKE, 16 percent. This correlation does not apply, of course, to the Euro-elections of June 1984 in which it is possible for the small parties to gain some support.

It must be added that there is a question of decisive importance relating to the attitude of the 600,000 followers of the old EDIK who were included above in the PASOK following, but are likely to join a dynamic center organization or KODISO.

However, in the event a center organization is created, the correlation of forces will be changed at the expense of the ND--since many center-right voters will prefer the new organization at the expense of PASOK.

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ANALYSIS OF CONTRADICTIONARY CURRENTS IN ELECTORAL DRAFT LAW

Athens ENA in Greek 20 Oct 83 p 12

/Text/ The electoral law is the biggest headache for the government at this moment. Reliable reports say that the big dilemma, "if, how and when to change the existing system," has been brought to the premier for a decision--and soon, moreover--on two different recommendations by his lieutenants.

The first recommendation is simple in conception and far from original. It is based on the notion of "wait and see." The advocates of this solution come mainly from the party's parliamentary group and are supported by many personalities of the premier's closest associates in Kastri.

According to the views of this group, the existing system of reinforced proportional representation is the only one that will enable PASOK to form an autonomous government provided the election is called suddenly or to June 1984 together with the Euroelections. On the other hand, if the life of the present parliament is extended conditions may change.

For this reason, PASOK should not be committed as of now to an electoral law which may turn out to be against it at the time of elections. If we go on till 1985 and conditions are still unfavorable, there are two alternative solutions: to introduce the simple (and unadulterated) proportional or to adopt a "two-phase" system with two rounds. As ENA has already reported, the two-phase system provides for the election of 200 deputies with the system of simple proportional and the distribution to the two parties with the highest percentage at a ratio of 70 to 30.

This may be implemented either in a single round or in two rounds (two Sundays). The difference, however, is considerable. In the case of a second round, the voters of the other parties will find it necessary to vote on the second Sunday for one of the two opposing parties that received (in the first round) the largest number of votes. In this case the KKE voters will become by necessity the "bus boys" of PASOK. But if the two-phase system has one round, it will work like a "roulette", because the party that will automatically get 70 out of 100 seats in the second distribution will be the one that will come first even by only one vote.

The two phase in two rounds is therefore, the one PASOK would prefer.

However, its preference clashes with the absolute refusal of the president of the republic and with the determined resistance of the ND, which in this case may go as far as to refuse to take part in the election.

Regardless of this disagreement, however, it is certain that the recommendation of wait and see is the prevailing one in Kastri.

This scenario is reaffirmed by the statement of the government spokesman that the new electoral law will be introduced in the Chamber of Deputies in the spring of 1985--that is, at the end of the last session of the present Chamber.

The New Recommendation

Things began to change in the last few weeks when a second recommendation began to gain ground and to be pushed upward to the premier. It originated with cadres of the party apparatus with many connections to the leading troika (Gennimatas, Laliotis, Tsokhatzopoulos). The philosophy of the new recommendation has both political and ideological foundations.

The political aspects emanate from the knowledge that the government will face strong pressure from both the ND and KKE to make known its intentions on the question of the electoral law. Already KKE is determined to raise the issue in the Chamber of Deputies where the ND will certainly intervene, denouncing as improper the use of the electoral law as a weapon of surprise. The ideological foundation of this recommendation is based on the view that the new electoral law must "consolidate the cooperation of the progressive forces and at the same time isolate the Right to the sidelines of political life."

The realization of this goal is achieved by enabling KKE to participate in the second distribution of votes. They propose to reduce the minimum for participation in the second distribution from 17 percent to 12 or even 5 percent.

The supporters of this recommendation claim that such a change, if introduced immediately, will tone down the partisan feuds in favor of PASOK.

From the moment KKE is assured participation in the benefits of the second distribution of votes, it will naturally cease to see PASOK as an antagonist and will see it as a post-election partner. In fact, if the minimum for participation in the second distribution is reduced to 5 percent, another political antagonist to the left of PASOK, KKE-Interior, will have a greater chance to win seats in the Chamber of Deputies.

With this system, the ND loses every hope to return to power, since it cannot count on allies for a coalition government and the only way it can win is to gain at least 50 percent of the vote.

On its part, PASOK gains the ability for more "openings" in the area of the Center and appears as the only "party of power." This is because PASOK's quest for parliamentary majority will find more acceptance in the consciousness of a Center or an uncertain voter, for the moment the only alternative is an alliance of PASOK with KKE.

There is no doubt that the two recommendations, in addition to the favorable points presented by their advocates, have their negative points as presented by their opponents. So, Papandreou's dilemma becomes even more difficult. Anyway, many times in the past governments tried, with an electoral system "cut to fit their needs," to "open the grave" of their opponents--to find on the day after the election that the grave digger found himself in the grave.

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CSO: 3521/52

COMMENT ON KKE'S STERILE DOGMATISM, FUTURE PARLIAMENTARIANISM

Athens ENA in Greek 13 Oct 83 p 12

Article by P. Bakogiannis: "The Future of Parliamentarism in Greece: The KKE"

Text One cannot say that PASOK and the ND have made a positive contribution to the development of parliamentarism; in the sense of creating a modern parliamentary system with institutions functioning on the basis of the democratic process. Today we discuss the case of KKE.

The legalization of KKE undoubtedly helped the positive development of Greek parliamentarism. Not only because it enabled one section of the electorate to express itself in a parliamentary fashion but also because it showed in fact that after 1974 a political opponent is confronted in Greek parliamentarism with arguments within the parliament, not with police measures.

KKE's contribution to the development of parliamentarism is so far, however, non-existent. This is because it has retained a sterile dogmatism. It has made no effort to remove the impression that it is simply a puppet of Moscow, without any autonomy, critical ideological position, and above all without the ability to renew the monolithic and mummified ideological views of its past.

These facts are behind the inability of KKE to make a positive contribution to our parliamentary development, especially since it lost after 1974 the historic opportunity to change along "Eurocommunist" lines, which would give it a more modern and flexible base but also the opportunity to cooperate with other progressive communist forces in Italy, France, Spain, etc.

As long as KKE insists on its dogmatism and on its submission to the Moscow line, its ability to become a party capable of playing a role as part of a government will be diminished.

Under these conditions, the image they present and the role played by the parties in Greece, the future of parliamentarism will depend on the development of the ideology which shapes and defines Greek political life, but also on the structural changes in the existing political parties.

The future of parliamentarism depends also on the development of ideology of Greek political culture, for two reasons:

- a. Parliamentarism is not merely a tool at the disposal of the political groups and parties, which can be used only when they need it and to put it on the shelf when they don't.
- b. Parliamentarism is a socio-political attitude, a socio-political system of values, duties and commitments, a socio-political ideology of governing which requires in turn the fulfillment of obligations referring to the socio-political behavior of persons, groups and parties and respect for the rules it contains for its implementation.

The system of parliamentarism must be associated with the fragility of the constitutional order in any country: the less the socio-political leaders respect the constitutional order the more they legitimize, consciously or not, its overthrow by the "Messiahs" of the Right or Left.

The future of parliamentarism depends on the structural changes of the Greek political parties for two reasons also:

1. Without a clearcut ideological foundation, without organizational structure, without democratic processes, and without a real participation of the people in the decision-making process, it is not possible to have meaningful political parties today, capable of supporting but also serving a parliamentary process.
2. Without these conditions, the parties remain in the primitive stage of parliamentarism, where we see the spirit, the ideology of anti-parliamentarism with personality cults, fanaticism, arbitrariness, and bossism.

By tolerating the bossism, by cultivating nepotism and favoritism, by accepting the unrestrained egotism and mud slinging and the inability to learn how to respect an opponent, but also to have self discipline--in other words, how to respect the parliamentary rules even when they seem, short-sightedly, to be unprofitable or they do not serve at the moment some partisan, personal or petty interests--then no democratic parties can exist nor can a parliamentary system function. Most importantly, democracy cannot survive.

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C50: 3521/52

INTERVIEW WITH ND LEADER AVEROF

Athens MESIMVRINI in Greek 3 Oct 83 p 5

/Interview with E. Averof by Political Editor Ar. Stamoulis: "PASOK Will Lead the Country to Discord"7

/Text7 "The unity of the party is unbreakable. The reports being published are divorced from reality. The PASOK propaganda cultivates the myth that the ND has a leadership problem. But the 'Cassandras' are way off. I remain the leader of the party and I will lead the party to the elections and to victory.

"The program of ND presents realistic solutions for all problems. Without demagoguery it includes commitments on issues of national and economic significance; commitments the ND will keep when it comes to power. Because we keep our word! We are the people of actions."

/Averof7

Politically, the New Democracy covers the entire middle, center, progressive area and we reject the ideological extremism from any direction, said Averof to a MESIMVRINI reporter. In his replies, Averof covered a series of questions on subjects of interest to the democratic liberal people. Averof's responses, given exclusively to MESIMVRINI, in response to the questions of our political reporter Aristotelis Stamoulis, are summarized as follows:

As I have repeatedly stated, the New Democracy is the party that serves the idea of the nation, of democracy, of the free institutions and of progress. Its basic ideological framework was defined in its First Panhellenic Congress in Khalkidiki. Since that time the New Democracy developed its political activity within this framework. My intention is to reaffirm in the new platform we are now preparing, this basic framework, in a special chapter dealing with our ideological principles.

Politically we cover the entire middle, center, and progressive area and we reject the ideological extremism from any direction. The breadth of our area gives a political home to all Greeks who believe in freedom, democracy, progress and social justice and who oppose any form of totalitarianism.

The Platform

I believe that by the end of the year I will be able to present to the Greek people the new platform of our party, which is in the last phase of preparation. The drafting of the platform is being done by 17 committees with the participation of parliamentary deputies and capable technocrats. Their work is coordinated by collective organs with a few members. Naturally, that platform will be submitted to the party for approval.

The platform will present with complete clarity specific positions on all the problems which preoccupy and beset the Greek people. Moreover, without demagoguery, it will contain commitments by the ND on questions of national and economic significance. The ND will keep these commitments faithfully when it comes to power, because, as we have proved, we keep our word. We are not men of words. We are men of deeds.

Much has been done in this sector, but much more must be done. I believe that in this period we have coped successfully with many functional shortcomings so now we can carry out our mission with effectiveness and complete success.

Certain characteristic illustrations prove it. In October 1981 we had only just about 500 Local Committees. Today we have more than 1,600 throughout the country. At the same time we try to set up party cells in the most remote villages. We have experimented on this plan. The recent conference of party cadres for the Akhaia area was related to this.

A second illustration refers to our Branch Organizations. In 1981 we had approximately 25 Branch Organizations. Today our Branch Organizations in Athens are nearly 100 and throughout Greece 600. In this way we succeeded in organizing our followers, both in remote villages and also at their places of work.

Within the framework of our organizational effort is also the drafting of the New Rules for Regional Organizations which was put into effect last August.

We also established an Information Service which, under the overall direction of Thanasis Kanellopoulos, has started doing a good job although it is still understaffed. This service issues a bi-weekly eight-page brochure which, I think, is well structured and circulates throughout Greece.

We have planned several other measures which will make our party mechanism more flexible and more effective. The implementation of many of them depends on our finances. I would not like to go beyond that at this point, but I believe very soon I will be able to give more information about these measures.

Not long ago the government challenged us to election. We accepted this

challenge in a public statement. After that the government backtracked. I repeat, should the government wish elections we would have no objection any time the government decides.

Our position gives the government the advantage of surprise. It does not matter because we are ready to go to elections at any time. Therefore, the government deceives itself if it thinks it can surprise us.

The Electoral Law

The ND believes that under the present political conditions, the reinforced proportional is the most suitable electoral system for the country. But it is in a position to face up to PASOK under any electoral system with one condition: to assure absolutely fair conditions for the conduct of the elections. Without violence, terror, or psychological pressure. Should the government refuse to accept this condition the ND is able to react with all legitimate means and stop any illegal and anti-democratic practices.

The ND is the standard bearer of the political beliefs and of the interests of the soundly thinking Greeks who represent the overwhelming majority of our people.

We believe that only with calm political life can the progress and development of our country be assured. And the ND has proven in the past and proves again today its faith and contribution to the preservation of tranquil conditions and a calm political climate. It does not understand these calm conditions and the political climate in the same way like its opponents who support them only in words, not in deeds. Our opponents call for calm conditions and political climate on the part of the opposition while themselves do not hesitate to use carbines and chains to terrorize their opponents.

Our opponents use slander, insult and mud slinging to respond to our good faith and objective criticism, inside and outside the Chamber of Deputies.

The calm political climate, as I have said elsewhere, is not a one-way street. It is a two-way street. Only in this fashion can it be preserved. The right of self defense is recognized by the laws and by the constitution. Our followers are determined to exercise this right to defend themselves against terrorism and assaults.

Personally I have noted in my speeches that PASOK's tactics lead not merely to the disturbance of the calm political climate, but to discord. The premier should be careful because he bears all responsibility.

Renewal

The ND is a party which has old roots and this is one of its strengths because the old roots feed strong tree trunks and give growth to healthy branches. Its course up to this time has shown that it grasps the messages of our time.

and that it has an enviable adjustability to the demands of our epoch.

With this principle as our guide, we will move forward and implement the renewal where it is necessary. When we speak of renewal we do not see it merely in terms of the age of those who are active in politics. We see it also in terms of a way of thinking, ideas, and methods. This renewal will be completed on all levels of the party, when this becomes feasible.

We are ready, not only to go to election, but also to take the responsibility of government and to build the Greece of the year 2,000 on the ruins of PASOK. The errors of the past--and we admit we made errors--are experience for us. We are proud of our part. We are proud of our history, but we recognize it is necessary to change thinking and methods to realize our single vision which is the prosperity and progress of the Greek people.

ONNED /ND Youth Organization⁷

I am proud of our youth of the ND. Never has a party had youth with a higher sense of responsibility, such fighting spirit, and such loyalty to democracy. I look to them with complete confidence. They are our vanguard in the political fight we are waging. For this reason I don't hesitate to say that they are the hopeful future leaders to whom we will pass the torch tomorrow.

But this is not all. They are not only fighters for democracy and freedom--they are also young men and women who daily wage a fight in their studies, the workshops, the laboratories, on the farms, everywhere. For this they all deserve our admiration.

Our opponents occasionally try to accuse our youth. But the facts have been devastating for them. I do not want to mention specific cases. I will only say that even in moments of savage terrorism our youth showed decency, restraint, good sense and strict adherence to the democratic principles.

Ever since I assumed the leadership of the ND not one day has passed without PASOK's propaganda, through its friendly newspapers, trying to promote the fairy tale that there is a question of my succession to the leadership of the ND. Already 2 years have gone by and I am still the leader. This shows how wrong the Cassandras are.

The unity of the party is unbreakable. The reports being published are completely without foundation. My cooperation with the leading cadres of our camp is excellent. I am leading the ND. And I will lead our party to the elections and to victory.

It is not only legitimate but also absolutely necessary that brilliant and able political men have the ambition to govern the country some day. It would be unfortunate, even a crime, if our camp did not have political personalities with such ambitions. Fortunately for our country, our camp does have them.

It is the duty and obligation of the leader to create the proper foundation for his future succession by the best; to give to such new men the opportunity to rise through the ranks.

Accidental leaders do not create such a foundation. Only leaders with clay feet try to strangle noble ambitions. Only leaders who have no confidence in themselves see their associates as opponents. This was not the case of the leaders who preceeded me. Nor is it true in my case.

7520

CSO: 3521/44

KKE, EDA EFFORTS TO EFFECT CHANGE, GAIN PASOK'S DEPENDENCE

Athens I KATHIMERINI in Greek 21 Oct 83 pp 1, 3

[Text] The government is the object of a "friendship attack" from the Left. At a time when there is developing a steadily increasing dispute within the governing party, initiated by its leftist party cadres, the administration is under strong pressure by the parties of the Left that is moving along the following two lines: a. Providing support to the government for pushing forward the "real change,"; b. Dependence of the governmental party on these parties in order to govern with corresponding openings towards their political choices.

In the past few days, the "cooperating" EDA [United Democratic Left], which has decided to reactivate itself, has, as of yesterday, joined the spreading practice of the KKE and KKE (Int) described above. The climaxing of this political lack of sponsorship will be the independent candidacy of EDA, with its own ticket in the Europarlimentary elections. It is significant that the criticism leveled by both the KKE and the EDA converges on a fundamental point of the administration's operations at whose revision it evidently aims. This critical point is PASOK's proclaimed devotion to the principle of self-sufficiency of the government as a decisive factor for maximizing the effectiveness of the administration's policy.

After the Rally

Political observers also point out that the fact is not without significance--on the contrary, actually--that the criticism of KKE and EDA climaxed on the morrow of the rally of Syndagma Square. This criticism is interpreted as one more indication of the tendency to group together, which characterizes the parties of the Left who consider the weakening of the governmental party a foregone conclusion and, being afraid of a probable electoral defeat for PASOK, rush to offer their support in order to turn back the "return of the Right."

To the pressure applied from its left, the government has, until now, reacted only indirectly. The indirect reaction of PASOK consists in an escalation of criticism which is directed, not against the parties of the Left, but against the "New Democracy."

This escalation is seen to be increasing even more as a result of tomorrow's speech by the "New Democracy's" president, Mr. Averoff. Political observers

believe that it is a certainty that the deterioration of relations and the dialogue with the official opposition will become more acute in the event the Salonika rally gives any signs that the electorate is beginning once more to gather around the "New Democracy."

The "Friendship Attack"

It is characteristic of the "friendship attack" of the leftist parties that both the KKE, the KKE (Int) and EDA consider it obvious that they own "stock," not only in the "founding of change," but almost in PASOK's victory in the 1981 elections.

The official party posturing of KKE and KKE (Int) in these past few days is indicative. Despite the fact that the electoral visibility of this party is considered exceedingly limited, it is not without significance that the unanimous resolution of the executive committee of EDA was made public yesterday. Although quantity-wise the new posture of EDA may be of marginal influence in any development, it carries special weight as an indication of the more generalized climate in the area of the Left.

It is significant that relative to this EDA had never participated in an electoral contest by itself since the return of democracy until today (it cooperated with the two communist parties in 1974 in creating the United Left, was part of the "Alliance" in 1977 and cooperated--through Mr. M. Glezos--with PASOK in the parliamentary elections of 1981 while it did not participate in the elections for the Europarlament).

EDA, with its resolution, proclaims that "there always remains the formation of the general alliance of all progressive forces of the country for overcoming difficulties and the continuous and manifest promotion of the 'movement of change' (quote marks, ours) towards its great and historical goals." It is not without significance that the EDA resolution characterizes PASOK as having "the mandate of the people" and being the "principal exponent of change," while, at the same time, it emphasizes the mistakes of the government which--sharing the exhortations of the two communist parties--calls on it:

"... to become conscious that many of these mistakes are due mainly to the one-party perception and to the arrogance of power, a syndrome from which party and administration officials must rid themselves..."

Reactivation

Based on this reasoning, the EDA executive committee resolved:

To call for the 2nd party congress next March and for a better preparation for it, the development of its youth branch and the "reiteration of the firm position of EDA for the independent and autonomous activity of the party cadres in the labor unions and among the masses in general;"

To claim the right of representing itself in the European Parliament with its own line-up in the Europarlimentary elections next June.

According to political observers it is evident that this recent resolution is closely connected to more comprehensive future developments in the area of the Left (including the leftist faction of PASOK) as well as to whether the elections for the European Parliament will take place at the same time as the general elections for deputies.

The KKE

On its part, the KKE yesterday continued, with an article in RIZOSPASTIS, the "friendship attack" towards PASOK. By indirectly, but clearly, disputing the success of PASOK's rally for the "two years in power," it again emphasizes its position that "... the 'self-propulsion,' the one-party concept, the 'self-sufficiency' of the party in government not only assure the necessary strength to cope with the great problems, strong reactions and intrusive pressures, but they push the actions of the administration onto a path which leads it away from the masses, it cuts it off from the popular movement of the masses and--sometimes --it sets it against it."

It is also pointed out in the same article that the premier's speech did not give any signs of revision of the governmental practice in this area. The view is expressed that "the weight of responsibility for pushing forward the matter of change remains, therefore, with the popular movement of the masses and with all its living, struggling forces."

KKE's (Int) Criticism

As observed, KKE's (Int) criticism, in a communique of its Executive Office on the second anniversary of PASOK's electoral victory, is also closely connected,

It points out that "The 18th of October of 1981--fruit of the struggle of all democratic forces--turned a new significant page in the country's history."

It observes that "the broad consensus and unifying disposition of the people, who were the most powerful weapon of the change, have not been exploited by the government."

It points out errors by the government which it criticizes for "dominance" and "arrogance of power" which "often lead it to expressions of autocracy," and

Emphasizes the need for change in the administration's policy.

9731

CSO: 3521/43

PASOK INTRA-PARTY QUARRELS ANALYZED

Athens 1 VRADYNI in Greek 3 Oct 83 p 5

/Article by Titos Athanasiadis: "Conspiracy of 'Dolphins' in PASOK'7

/Text7 Nowadays PASOK resembles a boiler ready to explode. An unprecedented feud among certain ministers has split the Council of Ministers. The relations between the government and the Parliamentary Group are "dramatically critical"--as were depicted the other day by a government member while talking with a group of friends. The premier's entourage is criticized by the party apparatus and the parliamentary sector for being elitist. The party rank and file is torn between conflicting policies: the Left (opposing the signing of the bases' agreement) and the Right (opposing the socializations, business problems, anti-EEC and anti-NATO actions, the Korean plane, etc.).

The contradictory and preposterous situation has its own ludicrous aspects, in addition to the dramatic element. The premier--according to reports from his close environment--faces a real impasse in the economic sector and especially as concerns the persons who are in charge.

Fifteen months after the "triumphant" appointment of G. Arsenis and the replacement of A. Lazaris, the economic situation has deteriorated as shown by the several devaluations of the drachma. Now A. Papandreou seeks a way to remove Arsenis, according to well-informed sources.

Papandreou is especially angered by "Makis"--as "Gerasimakis" Arsenis is called among the circles of Kastri--because he considers him to be the key person responsible for PASOK's hostile policy against the industrialists.

Sources very familiar with PASOK's inside story believe that Papandreou was induced to adopt a hostile policy against the industrialists after repeated suggestions by his minister of national economy who, for purely political reasons (ingratiating himself in order to prepare for his rise in the party), induced Papandreou to persecutions and activities which now lead to a fiasco.

One characteristic illustration being mentioned is that of the Iraklis cement company. In the past such a case would have been resolved within hours by a court action dismissing the case.

Papandreou appears to be angered by the "shenanigans" of some administration

cadres on the cement factory case and is searching for ways to retreat-- especially after his briefing by "trusted persons" including Georgios Mavros who visited him twice.

Arsenis is being attacked not only by the premier but also by top members of the government and of the Movement, such as the Minister to the Premier A. Koutsogiorgas, Minister of Merchant Marine G. Katsifaras, former Ministers Lazaris and Koulourianos, Katsanevas, the chairman of the Labor Force Employment Organization, and others.

Plans Against Arsenis

According to the same reports, Papandreou has prepared a plan to replace Arsenis but he has not found a replacement, since for reasons of prestige he does not want to bring back Lazaris. Such a solution, they say, would prove that the Lazaris policy was right and this would embarrass the premier beyond repair. Papandreou's plan--according to the insiders--is to touch Arsenis' sensitivity so he will be forced to submit his resignation. To do so, Arsenis will be removed from the governorship of the Bank of Greece which will be given immediately to Arsenis' opponent Koulourianos who resigned recently from the government because of many disagreements with him Arsenis. In the meantime:

The Council of Ministers is rent by the feuds of other cadres concerning the priorities of governmental policy but also by the premier's choices in favor of certain ministers and deputy ministers. The promotion of Pottakis and Vaitzos and the publicity given Kapsis have angered many others in and out of the government.

The Downgraded

Objective observers believe that the downgrading of certain cadres is a scandal. These include the "old guard" deputies such as G. Padimitriou (Aitolioavarnania), Sp. Rallis (Kerkyra), St. Tsaparas (B! Thessaloniki), and A. Fleming (A! Athens), the younger deputies Dion. Bouloukos (A! Athens), P. Papageorgopoulos (A! Athens), G. Katsimbardis (Voiotia), V. Kedikoglou, and D. Sapountzis (Evoia), M. Khatzinakis (Lasithi), D. Sekhiotis (Arkadia), P. Kondogiorgis (B! Athens), and S. Anastasopoulos (Karditsa).

The ejection of two top personalities of the movement--Lazaris without sufficient explanation and Peponis without any explanation--is of course, an even greater scandal.

The same observers say that as long as such cadres remain out of the government while other persons have moved up, the dissension among the rank and file is bound to continue.

Beyond these feuds, PASOK suffers from its old "sickness" since it came to power: the arrogance of the ministers and deputy ministers, criticized by

the premier himself in the past and in the last conference of the Central Committee.

One illustration of this phenomenon is the behavior of government cadres toward parliamentary deputies. In spite of the repeated efforts by PASOK leading circles to tear down the wall that exists around the ministerial offices and which cannot be penetrated by the deputies, nothing has been done so far.

So with the new session of the Chamber of Deputies--according to reports--the PASOK deputies are determined to oppose this situation and to act "forcefully". The first victims will be the "private assistants" in the political offices of the ministers, whether they are "green guards" or not.

The "Gang of Five"

There is a group of five PASOK deputies who have decided to move ahead--in public--to air their disagreements not only on the tactics of the ministers and the "overpowering" of the Parliamentary Group by the PASOK branch organizations, but also on the overall governmental policy.

Members of this group have sent to Papandreou--according to reports--memoranda which present the situation in the party, the government and among the rank and file--but the premier returns them with the notation "unacceptable", because, as reported, he is angered by their critical style.

The only hope of those who work to avert a clash within the Parliamentary Group is the Speaker of the Chamber of Deputies I. Alevras whose prestige and influence among the PASOK deputies is constantly increasing. Alevras will again act as a fire fighter, according to certain leading cadres of PASOK. But this role of the highest PASOK cadre after Papandreou is not to the liking of certain deputies who present themselves as dolphins, and especially to those who have limited influence within the Parliamentary Group. These cadres, who see "with reservations" Alevras' increasing influence, "fight" against him accusing him behind the scenes as the person most likely to split the Movement and as the one prepared to support the interests of certain classes as opposed to partisan interests. The Alevras critics give as an illustration their opposition to the unification of the Pension Funds.

The commotion in the two PASOK groups (government and Parliamentary) is more intensive within the party apparatus where we find a condition of decomposition because of the conflict between the Right-oriented policy of Papandreou (the bases) and his strongly Left-oriented policy on the question of socialization and the way he conducts the presidency of the EEC, which was the subject of acute criticism by the foreign press--a fact which reportedly made Papandreou seek ways to pacify the other nine EEC members. Reports say that the premier is deeply hurt by the criticism conducted abroad because of his mistakes, which he believes he committed because he was misled by his associates.

The unrest in the party apparatus is shown daily by the strong criticism of this or that governmental policy, with differing orientations, in closed-door meetings of several Branch Organizations of the Movement.

Reactions of Attorneys and Economists

One of these meetings took place last week in the Khatzikhristou Theater. Present at the meeting were members of the Attorneys and the Economists Branch Organizations which are regarded to be among the strongest and most dynamic.

The government representative, the Secretary General of the Ministry of Agriculture Rokkos, who had orders to answer--on behalf of the Central Committee--questions posed by the members of the two branch organizations, found himself in an embarrassing and often terribly difficult position because the views of the participants were in direct conflict with each other.

There were three subjects in which the disagreements among the members of the Branch Organizations were unbridgeable and preposterous. They were the bases, the socializations, and the economic policy. With regard to the bases, some praised the signing of the agreement while others criticized it. With regard to the socializations, some said the process should be speeded up while others argued that if this pace is continued even the middle-size businesses will be scared. Many critical comments were also directed against the economic policy.

These disagreements within all important PASOK centers of gravity and the commotion at the various levels of party cadres and in the rank and file, have convinced Papandreou that he must avoid holding elections in 1984, separate the election for the European Parliament, and conduct the parliamentary election with an electoral system which will result in the smallest possible losses for PASOK.

It appears that Papandreou has no choice but to conduct the election in 1985, and since the time until October 1985 exceeds 24 months, his hopes that the economy will recover and that the overall situation will improve are the only elements allowing him to expect that he may avoid an electoral debacle. But this is only a hope.

7520
CSO: 3521/44

CODE OF CIVIL PROCEDURE UNDERGOING MODIFICATION

Amendment Bill Presented

Athens I KATHIMERINI in Greek 12 Oct 83 pp 1, 3

[Text] There are in fact impressive innovations contained in the bill on the modification of provisions of the Code of Civil Procedure which was delivered over officially yesterday to Minister of Justice G. A. Mangakis and the general secretary, G. Asimakopoulos, by the chairman of the drafting committee, Professor K. Beis (the other members of the committee are the court of appeals judges Dion. Kondylis, Pan. Galanis, K. Androutsopoulos, the justice of the peace D. Tarandos, the lawyer Khar. Derveniotis, and the vice-chairman of the DSA [Athens Bar Association], Pan. Korkovelos).

The objectives aimed at by the bill and the many innovations (certain of which are radical) were explained afterwards to the journalists by the minister of justice and the chairman of the committee. The following also spoke, expressing their opposition (each from his own point of view) to the ban on arbitration by judges: The chairman of the Association of Judges and Public Prosecutors, Galanis, and the vice-chairman of the DSA, Korkovelos. The former stressed that the Greek citizen ought to be permitted to choose the arbitrator whom he wants for his case, disagreeing with Beis, who maintains that this is unconstitutional.

Galanis also stressed that he disagrees with the provision which establishes cassation, and he is in disagreement with respect to the security measures also, with his argument being that there will be a great burden placed on the hearings of cases in the Areios Pagos [Cassation Court].

What the Bill Provides

According to this ambitious bill, which of course is not in its final form (it will be refined after it has returned, with the appropriate comments included, from the proper agencies at the end of November):

The system is abolished which permitted the imprisonment of the debtor for his monetary debts, even when no culpability could be charged to him for his inability to pay. Thus, the possibility of the imprisonment of merchants for commercial debts, which has been unrestrictedly in effect

hitherto, now has the restriction that this will be permitted only if the indebted merchant had concealed his assets in order to do wrong to his creditors. Also his imprisonment for damages due to an offense is limited to only those cases where a criminal offense has been committed.

Also abolished is the provision on undistrainability which has been in effect against the Greek State, the Legal Entities of Public Law, and the public enterprises. However, no distraint is permitted with respect to those articles which have been placed in service for the benefit of their public function. The same thing is true also with respect to the territorial areas of the State.

The legal remedy of cassation is established for the security measures, in order to make it possible to have control over any legal errors.

It is expressly established that judges are banned from engaging in the work of arbitrator, and correspondingly a special procedure of judicial arbitration is instituted. With this new institution, the litigants will have the option of agreeing to have their dispute tried by the single-membered Court of Appeals (also a new institution), which will conduct a hearing by the procedure used in labor disputes, without the contestation of this decision by any legal means being permitted. And all of this is to be done without any private or other separate remuneration going to the judge.

The Confidentiality of Press Sources

The inviolability of journalistic confidentiality is established. The journalist who is examined as a witness has a right to refuse to name the sources of his information. And correspondingly: The court is prohibited from relying on witnesses, especially the police, who do not specify from whom they have learned the particulars which they are testifying to.

The obligatory administering of a religious oath is abolished. The litigant or the witness will be asked whether he prefers to give a religious oath or to invoke his word of honor.

The prohibition which has been in effect concerning evidence by witnesses of contracts above a certain amount is abolished.

There is to be a speeding up of the presentation of the evidence and its gathering within the interval which elapses between bringing the suit and its hearing. Thus, when the court tries the case for the first time, this is ready for the issuing of a definite verdict, which the plaintiff will have within 10 and at most 12 months from the time when he filed his suit.

The examination of the witnesses will not be done before the clerk of the court, but before the notary public. This will avoid the ordeal suffered by the litigants, the witnesses, and the lawyers, which for many years now has been bringing the progress of trials to a standstill, without this presenting any substantial guarantees. Every litigant will be able to bring one witness each into the courtroom.

Not in the Courtroom

It is sufficient for the lawyers of the litigants to have filed their claims within the prescribed time, and it is not necessary for them to be in the courtroom when the reading of the case takes place, and their clients do not run the risk of being tried in absentia.

The statute of limitations is suspended if an extrajudicial notice is served to the debtor. This legal step is regarded as having been unused if it has not brought about the fixing of a hearing date within 30 days from its execution.

The unjustifiable appealing of a judgment in absentia is abolished. The litigant who has been tried in absentia will be able to seek by an appeal the annulment of the verdict in absentia only if he was not responsible for this judgment in absentia against him.

It is stipulated that the vague citing of a wrong assessing of the evidence is unacceptable as a reason for an appeal, and that the soundness of the appeal is to be judged exclusively by the criterion of the law which was in effect when the first-instance court made its verdict.

The rank of the justice of the peace will be the rank of entry into the judicial body. Every justice of the peace will undergo reviews for suitability for promotion to first-instance court judge.

The verdict in minor lawsuits is permitted to be contested by appeal, but only in connection with the violation of a substantive or procedural rule of law.

The immediate forceability of the order for payment is prohibited before the deadline has passed with no action taken for the exercising of an appeal for its invalidation. However, the taking of security measures is permitted.

The cases which can be tried by the quick and simple procedure of labor disputes are broadened in such a way that all cases involving employees come under this, even if it is a question of a labor contract in which the personal nature of the furnishing of services is dominant.

It is prohibited for a stay of execution--particularly that of a sale by the court--to be sought by way of improper petitions virtually at the last moment.

Collusions

Provisions are established which prevent collusions of the debtor with one of the creditors to the detriment of all the others, with the thought being that the present-day creditor is not the greedy loan-shark or exploiter of former times. On the contrary, most of the time it is the worker who has not been paid his legitimate earnings, the person entitled to compensation from a crime, those entitled to alimony, and so forth. Consequently,

the State has the obligation to make available to these people a procedure for the rapid satisfaction of their legitimate claims.

Wednesday (from 1400 to 1600 hours) is established as the day for public sales by the court instead of Sunday, which was the case up to now.

The formality of the notary document for the granting of power of attorney to a lawyer is abolished.

The constitutional dictate is provided for the irremovability of the authority of the natural judge, so that it will not be possible any longer to constitute and change the composition of the court in accordance with the case being tried.

Key Provisions Examined

Athens I KATHIMERINI in Greek 13 Oct 83 pp 1, 3

[Article by G. Tsiros]

[Text] The abolition of the obligation by the witness to take a religious oath is in fact one of the most sensational of the innovations which are included in the bill from the Ministry of Justice on modifications in the provisions of the Code of Civil Procedure. As legal circles were observing, now at last those who appear in court to testify will have the opportunity to choose whether they will invoke the deity "concerning the truth of that which they are going to state" or whether they simply will swear to the accuracy of what they will say "on their word of honor." With this new regulation--add the same circles--the way is paved for solving a problem about which there have been many debates from time to time and on which various viewpoints have been expressed. And the fact is important that the religious oath is not abolished utterly, but the option of choosing is given to the witness or the litigant himself.

A member of the committee who drew up this bill, Panagiotis Korkovelos, the vice-chairman of the Athens Bar Association, pointed out in response to a relevant question that "the oath should be a matter of conscience and not the result of fear which is created by the invoking of natural or metaphysical notions and sanctions--it is enough for the person taking the oath to know the legal consequences of perjury."

Then P. Korkovelos stressed that "the type of oath which permits the witness to invoke his honor and his conscience makes him more responsible and more prudent, because this entails an invoking of the most sensitive features of his constitution. This type of oath is more in accord with the temperament of the Greek people. The path which the bill follows in leaving the choice of the oath up to the witness is a proper one. And this is because the testimony of the witness is free from metaphysical sanctions, which perhaps he does not believe in. In any case, whatever the type of oath which the witness chooses, if he does not speak the truth he is subject to the same penal sanctions."

It is worth noting that I KATHIMERINI had pointed to this matter of the abolition of the religious oath in the courts in a study which had been published in May 1978. The occasion was a document which had been sent to the government then in office by the metropolitan of Korinthos, Pandeileimon. "Many Christians"--the prelate wrote--"and especially clergymen face this as a major problem of conscience," and he stressed that the obligatory nature of this oath "is prohibited by canon law, in accordance with the evangelical commandment."

Regardless of the views and opinions which have been formulated in the past in favor of the abolition or preservation of the oath of witnesses, it is a fact that there have been cases where people have endured the ordeal of a penal procedure solely because they refused to take an oath. One such experience was suffered by the now professor emeritus of philosophy at the Pandeios school, Konstandinos Despotopoulos. And this happened because in 1979, when he was summoned to a hearing to testify as a witness in a case, he did not want to take the oath. This refusal by him was prompted by feelings of wanting to be consistent with what he wrote in his study--in 1963--on taking the oath.

The regulation which is established with this bill undoubtedly is a step forward in the reforming of relevant legislation, we were told by Prof. Konstandinos Despotopoulos. Because at last respect for the conscience of the witness is displayed by the State in fact. It would be desirable for oath-taking to be abolished entirely. But in any case this regulation constitutes a positive step.

12114

CRG: 3521/33

ELECTIONS EXPERT ANALYZES TRENDS, MEANING OF LOCAL ELECTION

Oslo AFTENPOSTEN in Norwegian 15 Oct 83 p 3

[Article by Helge Seip: "Election '83; It Was in the Municipalities It Happened"]

[Text] The Labor Party made an advance--in number of seats--in a stiff 300 of the country's 454 municipalities; there was a loss of seats in only 25 municipalities. But the party had a poor election in Oslo's big suburban municipalities.

The Conservative Party lost seats in 200 municipalities and made a gain in 50. The advance took place largely in municipalities without a Progressive Party slate.

A poor election for the Christian People's Party in the municipalities, and somewhat better for the Center Party, which in contrast to the Christian People's Party in any case made an advance as compared with the last Storting election.

The Progressive Party's rally produced as a result an advance in seats on a large scale. Only three municipalities with a Progressive Party decline.

Much has been said and written about how deplorable it is that the municipal election omens fell so strongly into the background during the fall's showdown. Those who pointed this out on the other hand did not make major efforts to report more about what took place out in the municipalities. That is, a bit was gotten about them individually, but little about the more systematic shifts and development trends in the different counties and regions. We were informed that a good 60 municipalities shifted from a non-socialist to socialist majority. The Liberal Party's hints regarding supporting more Labor Party spokesmen than before can produce some further changes in municipal top positions. All in all the power is shifting definitively in this respect in about 15 percent of the country's municipalities.

On the other hand, we have not seen any complete summary of numbers of city council seats for the parties, not even on a countrywide basis. A study of municipalities countywise could have taken place after the first count, but rarely county tables with seats before and after the election. This,

although the biggest practical changes after the fall election will come around in the municipalities.

Labor Party Advance

Close scrutiny of the distribution of seats in the new city councils shows that the Labor Party this fall gained more seats in somewhat over 300 of the country's 454 municipalities. There was a gain in seats in two out of three city council slates, not counting the fact that three new slates appeared. Only 25 city councils will meet with lower numbers of Labor Party representatives after the new year. Not counting Oslo, there were four counties without a single minus municipality for the Norwegian Labor Party.

Individual stagnation trends or declines can nevertheless give reason for some reflection. The loss of seats in the large suburban municipalities of Baerum, Oppegård and Ski, lower voter support in Asker, and the surprisingly poor Oslo figures in comparison with the Conservative Party's decline must be taken seriously by the party leadership. If an attempt was never so much made to copy Gro-Kåre, it was no Victoria over Albert this time. Indications are that the Progressive Party is one of the contributing factors here. Carl I. Hagen also took Labor Party votes--in Baerum as well as in the ranks of representatives. In addition, it can be supposed that the new foreign policy course has had a damping effect on Labor Party support among voters in these municipalities.

Altogether, however, the Labor Party has come out of the showdown with a broadly strengthened municipal representation. This is true not least of Bergen, where neither the city nor the suburbs have tendencies like Oslo's and the southwest suburban municipalities.

Conservative Party

On the other side, the Conservative Party's losses around in the municipalities were also pronounced, but in comparison with the last municipal elections the weakening in Norwegian municipal politics was still more noticeable for the Christian People's Party, and certainly also for the Center Party.

The Conservative Party is reporting with smaller city council groups than before in a good 200 municipalities. The large urban municipalities, in addition, are drawing an impression further in the direction of weakening. But at the same time there were about 50 municipalities where the Conservative Party increased its number of representatives. In addition, new slates came in with seats in 10 municipalities. In Sogn and Fjordane there were more plus than minus municipalities (9 to 6) and a formidable advance in, for example, Florø, while the landslide in Finnmark produced reduced representation in 17 of the county's 20 municipalities. On the other hand, a single new slate in Gamvik won one seat. It is likewise characteristic that all counties had one or more municipalities with an advance in seats.

Stormy at the Center

Then, the impression becomes somewhat more bare for the parties at the center. In comparison with 1979, all four had a poor election. The two government parties are far from an exception. They got to feel how difficult it is to maintain their local seats also.

All in all there are almost 200 municipalities with a decline in the number of city council seats for the Christian People's Party. This is almost two thirds of the municipalities the party was on the ballot in. Only 22 city councils are meeting with a strengthened Christian People's Party group. Twenty of these are in Sørlandet and Vestlandet [West Norway]. Vest-Agder became the county with more pluses than minuses, something which can in part be associated with the fact that the DLF [Liberal People's Party] had far fewer local slates and relatively poor municipal elections.

Otherwise, 87 Østlandet [East Norway] municipalities with Christian People's Party losses without a single plus must be a serious sign. Forty-three minuses and one plus in North Norway and 14 to 1 in Trøndelag likewise means that the trend is unambiguous. The Christian People's Party has also not won seats in drawing up new slates.

Then the situation is not so bleak for the Center Party, although almost 190 municipalities also got smaller Center Party groups than last time. There were 33 municipalities which went the opposite way, at the same time as 8 more new slates gave seats to the party in new municipalities.

As with the Conservative Party, the Center Party can almost everywhere (not in Oppland and Finnmark) point to municipalities with an increased number of representatives for the party. Center Party slates managed comparatively best in Rogaland, while 21 minus slates in Nordland, 16 each in Sør-Trøndelag and Møre and Romsdal, and 15 in Akershus point to big problems. Nevertheless, the Center Party is on the ascent as compared with the 1981 Storting election, in contrast to the Christian People's Party.

The Liberal Party gambled heavily on mobilization of new slates this year and had some success here, although old Liberal slates also fell out occasionally. All in all, there were quite a bit more losses of seats than wins for the party. The biggest cities had a decline. In addition, the failure in Kristiansund, for one thing, (from 9 to 5 on the city council) and in Finnmark was sensationally big.

With about 115 municipalities with lower numbers of seats and about 25 slates which increased in representation and 25 new ones which were introduced, there will be just as distinctly weakened Liberal representation on the country's city councils as there was on the county boards (50 versus 62). The last municipal and county board elections were, too, the Liberal Party's best elections after 1972. In comparison with the 1981 Storting election there was a little advance now.

For the Liberal People's Party there were losses of city council seats in 43 municipalities against a win in one and three new slates on the plus side. Nevertheless, this gave representation on about 30 city councils, three of which with two seats. The party gained four county board seats versus 12. At the same time, the Storting election result had, directly converted, given only three individual seats on city councils and two on county boards.

The Distribution

A preliminary summary made for the most part from preliminary vote count results show this distribution of seats on city councils (on sheer party slates) for the period 1984-87 as compared with 1979-83:

Party	This year	1979	Difference
Labor	5824	5116	+708
Conservative	2874	3213	-339
Center	1591	1766	-175
Christian People's	1329	1546	-217
Liberal	563	651	-88
Socialist Left	449	386	+62
Progressive	369	65	+304
Red Election Alliance	30	20	+10
Liberal People's	27	68	-41
Norwegian Communist	8	7	+1

Seats elected on combined slates between two or more non-socialist parties, on a pair of slates between the Socialist Left Party and Norwegian Communist Party, or on local slates of various kinds are not included in the presentation. It must be stressed in addition that several parties appeared with more slates than previous times and thereby gained extra seats without necessarily meaning a corresponding increase in support. Others had fewer separate slates. All the same, the general picture should be evident from the table.

Progressive Party Rally

The Progressive Party's rally is a feature of the election results which everyone has noticed. It procured the party seats on one third of the country's city councils. Only three individual municipal results showed a loss of seats since 1979.

The assessment of the party's importance in the municipal political context is not so simple, over and above the purely quantitative. It will be a completely motley band which will assume seats as the party's representatives, and their capabilities of exerting political influence will certainly vary for several reasons.

Without here going into similarities and dissimilarities in the national election versus the local elections, it can be assumed that many Progressive Party voters can be thought to be using tactical voting. This is of special interest in terms of the Conservative Party. It appears also that where the

Conservative Party made advances this fall there was rarely a Progressive Party slate. The Conservative Party's advance in Gjerdrum and Nannestad in Akershus and in Horten and VÅle in Vestfold came, for example, as breaking of an otherwise declining trend in these two counties, and, then, without a local Progressive Party slate.

Local Matters

It would take much too long to enter the big jungle of local details which always color an election. Examples such as the fact that the Conservative Party was literally executed out of the Os City Council in Østerdalen after the decision to put a military artillery range there are well known. The Raelingen mayor's strong Labor Party election was partly anticipated as a declaration of personal confidence by voters. Controversial Kongsberg plans gave the Liberal Party a strong advance for the municipal election (from 4 to 7 seats), which only to a lesser extent was to the advantage of the party's county slate. It looks like a few percent of voters combined the Liberal Party and Labor Party and a few percent the Liberal Party and Conservative Party by using white and blue ballots this time--in a clash in which the town pier and park department showed the way for ideologies. Odvar Røiseland's vote figures on the DLF county slate in Vest-Agder long before the municipal election figures also has its own to say about election people and roots.

That the voters in Ørskog saw their chance in a country boy as a representative to the county board from the Progressive Party's slate produced a generous return for a party which otherwise could not register its biggest breakthroughs in Møre and Romsdal. The Socialist Left Party's victory parade in Nordland is not without association with Hanna Kvanmo, and when the Red Election Alliance has secured itself a bastion in Tromsø it is also closely related to the person doing the leading.

On the plane of the final vote count it is not just mayoral candidates who had to suffer and heads in Bergen who came on the firing line. In Baerum, with their deletion and repeated ballot listing actions on other quarters, neither the Socialist Left Party's nor the Liberal Party's group leaders, for example, had a enough slate votes when their own party ballots were counted up. They both again came upon "chancers-by"--from the Conservative Party.

Many noted with respect that the Oslo Conservative Party got two immigrant candidates voted in among their non-repeated-listing candidates. There are on the whole many features which should be concentrated on from the local arena in the fall election. For, as we know, it is city councils and county boards which we elected.

8985

CSO: 3639/5

LATEST POLL CONFIRMS TREND: PROGRESSIVES THREATEN WILLOCH

Oslo AFTENPOSTEN in Norwegian 8 Oct 83 p 3

[Article by Terje Svabø: "Progressive Party Distinct Threat to Conservatives"]

[Text] The Conservatives are down 26.7 percent--and this before the State budget has been presented. NOI [Norwegian Opinion Institute]/AFTENPOSTEN's political barometer shows that the Conservative Party is in danger of losing thousands of voters to the Progressive Party. Thirty-five percent of the Conservative Party's voters give the Progressive Party as their alternative party. The tax profile--or the lack of one--in the proposal for the State budget will in all probability strengthen this trend. The Conservative Party is facing a formidable task in drawing up a dividing line for Carl L. Hagen's men. The Conservative Party's gigantic party organization ought to prepare itself for further weakened support.

Today's poll confirms to a large extent the opinion of voters in the local elections on 12 September, although this time it was asked how they will vote in the Storting election. The poll was taken in the period of 15 to 30 September, i.e., after the election but before the government on Wednesday presented its proposal for the 1984 State budget.

Conservative Party's Dilemma

It is in the Conservative Party that the worry should be greatest over the results of today's poll. On the eve of the election there was slim consolation in the Conservative Party that the party ordinarily does better in the Storting election than in local elections. However, support of 26.7 percent is just barely over the election result and seems to confirm that the Conservative Party has lost confidence among a very large percentage of its voters from 1981. In addition, there are the following two factors:

Wednesday's State budget has not been received with enthusiasm in the Conservative Party. The main reason for this rests in the minimal tax relief which neither "helps" nor is "dynamic." With a third of the Storting representatives behind them it is of course true that the Conservative Party in today's situation cannot achieve anything better, but expectations among the Conservative Party's voters are so much higher. There is little doubt that Conservative

voters believed that the party in any case would propose bigger relief in order to show that the tax profile is firm.

The base data for the poll show that 35 percent of the Conservative Party's voters have the Progressive Party as their alternative party. This illustrates the dilemma the Conservative Party is now in. The Conservative Party's big decline from 30.5 to 26.7 percent is not being captured by the Progressive Party, which has only advanced from 6.5 to 6.9 percent. Nevertheless, the choice of an alternative party shows that the Conservative Party will have bigger problems in drawing up a dividing line for Carl I. Hagen's men without hitting political sympathies which are shared by many Conservative voters.

Question: If you were to vote in the Storting election tomorrow which party would you vote for?

<u>Party</u>	<u>1981</u> <u>Storting</u> <u>election</u>	<u>1983</u>			
		<u>Jan</u> <u>%</u>	<u>Jun</u> <u>%</u>	<u>Aug</u> <u>%</u>	<u>Sept</u> <u>%</u>
Labor (A)	37.2	37.1	36.9	37.9	38.7
Liberal People's (DLF)	0.5	0.3	0.5	0.8	0.2
Progressive (FP)	4.5	5.3	5.3	6.5	6.9
Conservative (H)	31.7	31.4	31.8	30.5	26.7
Christian People's (Kr.F.)	9.4	8.3	8.3	7.2	8.2
Norwegian Commun- ist Party (NKP)	0.3	0.4	0.2	0.5	0.6
Red Election Alliance (RV)	0.7	1.1	0.7	0.6	0.6
Center (S)	6.6	6.2	5.9	6.6	7.3
Socialist Left (SV)	4.9	6.7	6.0	5.2	5.8
Liberal (V)	3.9	3.0	4.0	4.0	4.6
Others	0.4	0.4	0.2	0.1	0.4
Total:	99.8	100.2	99.8	99.9	100.0
A + SV	42.1	43.8	42.9	43.1	44.5
H + Kr.F. + S	47.7	45.9	46.0	44.3	42.2
A + SV + RV + K	43.1	45.3	43.8	44.2	45.7
H + Kr.F. + S + DLF + V + FP	56.6	54.5	55.8	55.6	53.9

The figures represent how many would vote in a hypothetical Storting election tomorrow, of those who quite certainly would vote. It was also asked which party was voted for in the 1981 Storting election. The differences between the support of individual parties on this question and the actual 1981 election results were used as weight factors.

Thus, all figures concern the Storting election and completely disregard the just held local elections. The main trends which were recorded between June and August have continued. This is especially true for the Conservative Party, for the decline from 31.8 to 30.5 between June and August has increased so that support in September was at 26.7. Both the election campaign, this year, the election results and comments afterwards can indeed have been a factor here. The Labor Party's support remains at the utmost limit of the 1981 election result.

The results are based on interviews with 959 eligible voters during the period of 15 to 30 September 1983.

Oslo, 7 October 1983, Norsk Opinionsinstitutt A/S [Norwegian Opinion Institute, Inc.]

Clearer Profile

One of the conclusions which can be drawn from the election result in today's poll is that the Conservative Party must gamble on coming up with a clear party profile. A government coalition, which today is both necessary and reasonable, will have to result in a more compromise-resembling policy, but need not adversely affect the Conservative Party's party organization. There is reason to believe that the Conservative Party's elected representatives are still not satisfied with how a purely Conservative policy can be steered at the same time as the party is part of a coalition government. In itself there should not be any opposition to the party organization's going to being ahead of the government in presenting primary demands and goals which everyone ought to know cannot be carried out in full with a third of the Storting's votes.

The in-between parties seem to be strengthening their position; the Christian People's Party has advanced one percent and the Center Party 0.7 percent. It must be gratifying to register such a development for the in-between parties, especially for the Center Party, which has gained the highest support this year according to NOI.

The Labor Party is still moving slowly, but the support of 38.7 percent is one half percent under the election result of 12 September. However, the important thing is that the difference between the Conservative Party and Labor Party only appears to be growing. In addition is the fact that the Labor Party and Socialist Left Party together are bigger than the support for the three government parties.

Natural Law

AFTENPOSTEN asked parliamentary leaders Jo Benkow (Conservative), Gro Harlem Brundtland (Labor) and Carl I. Hagen (Progressive) to comment on the poll. All three maintain that the political barometer, on the whole, is in line with the election results. Jo Benkow says that the poll in many respects confirms that wear and tear on the government seems to be something close to a natural law. Benkow adds that if it is so that the Conservative Party has lost on

reorganization of the government, it must be considered gratifying for the non-socialist bloc that the other two government parties are advancing.

"From this poll it can appear as though the Conservative Party is leaking at both ends. The information to the effect that 35 percent of the Conservative Party's voters have the Progressive Party as an alternative party I will characterize as frightfully high. It can become difficult to patch this hole again. However, a starting point of 26.7 percent for the Conservative Party is a good starting point for a higher level in the election in two years if we persist," Jo Benkow emphasizes.

Gro Harlem Brundtland thinks that the poll confirms the fact that the discussion about different support in local and Storting elections has been to sidetrack the debate. The Labor Party's leader points out that this time it was asked how people would vote in a Storting election and that the Conservative Party does not appear to be making any essential gain in comparison with the election result of 12 September.

Deplorable

Carl I. Hagen says that it is deplorable that the in-between parties and the Labor Party are advancing. The Progressive Party's leader had not expected such a big decline for the Conservative Party. To the question of what is the meaning of the fact that 35 percent of the Conservative Party's voters have the Progressive Party as an alternative choice and 51 percent of the Progressive Party's voters the Conservative Party as a second choice, Hagen says that this is nothing new. He refers to the fact that earlier polls had shown that the Progressive Party has a big potential among Conservative Party voters.

He adds that the Conservative Party's and Progressive Party's voters clearly perceive both parties as anti-socialist, but that the Progressive Party goes considerably further than the Conservative Party in a consistent struggle against taxes, excise taxes and the public bureaucracy. Hagen thinks this will continue to be the situation as long as the Conservative Party must have consideration for the Christian People's Party's and the Center Party's causes.

New Poll

NOI/AFTENPOSTEN will produce a new poll in a month. Both reactions to the State budget and yesterday's increase in automobile excise taxes will be included in it.

8985

CSO: 3639/5

KURBAN BAYRAM BECOMES FORUM FOR POLITICAL VISIBILITY

Istanbul TERCUMAN in Turkish 17 Sep 83 pp 1,12

/Text/ Ankara (TERCUMAN)--In his Kurban Bayram /Festival of Sacrifice/ message, President Kenan Evren said it was necessary to put aside personal considerations and frustrations. "Turkey has a new spirit and enthusiasm in trying to achieve a sound structure, and everyone must do his best to carry out the duties and responsibilities which fall to him in this climate," he said.

Adding that we have the deep joy of celebrating Kurban Bayram, which holds a special place among our high holy days, in peace, security, unity and a spirit of togetherness this year, President Evren said that the dark days were behind us and a new era of progress had now begun.

Following is the text of President Kenan Evren's holiday message:

"Kurban Bayram holds a special place among our high holy days, gathering one and all in the essence of striving for goodness, truth and beauty, and this year we have the infinite joy of celebrating it together in peace, security and unity.

"Religious holidays are essentially a day off, providing the occasion for the feelings of solidarity, mutual helpfulness, love, respect and tolerance inherent in each individual of our nation to be further strengthened, in which all that is good within us finds expression, and cares and frustrations are laid aside.

"If we always guarded these splendid values with the same enthusiasm every moment of our lives, not just on holidays, it would certainly make a great contribution to a happier and more prosperous tomorrow.

"After those dark days, which our great nation experienced in the past and, even in recollection, are terrifying today, our nation has entered a new era of progress in an effort to regain rapidly the material and spiritual values lost in that vicious conflict.

"In this era, in which the basic goal is to utilize the strength which instills confidence in our friends and fear in our enemies for the

development of our nation and the happiness of our people and to resolve our problems in a climate of love, respect and tolerance rather than divisive and separatist prejudices, personal considerations, frustrations and over-sensitivity must be laid aside.

"In this climate in which Turkey is striving with a new spirit and enthusiasm for a sound structure, everyone must do his best to carry out the duties and responsibilities which fall to him.

"On this beautiful holiday which brings joy to our hearts, I offer with love and respect my warm and sincere best wishes for a happy Kurban Bayram to my beloved citizens, my fellow countrymen abroad whose home is always in their hearts and to our Cypriot brothers."

Ulus's Message

Prime Minister Bulend Ulus said in his Kurban Bayram message: "The Turkish nation has hope for the future today." Ulus's message reads:

"Today we mark in greater unity a happy day whose celebration in a climate of peace and tranquility we have regained since 12 September 1980.

"The Turkish nation has hope for the future today. It is the common purpose of us all to make the conditions of the peaceful climate in which we live safe through cooperation. On such a meaningful day, I note with satisfaction that it has been possible to take significant steps towards raising a prosperous Turkey on sound foundations, thanks to the sacrifice and devotion of our beloved people. It is with these feelings and thoughts that I most sincerely wish a happy Kurban Bayram to all my fellow countrymen, whether at home or abroad, and to our fellow Turks on Cyprus. I wish the great Turkish nation the days of peace, security and happiness it deserves."

Sunalp's Message

Nationalist Democracy Party Chairman Turgut Sunalp said in his Kurban Bayram message: "We will follow in the footsteps of a mentality which adds accomplishment, rather than repudiation, to the accomplishments of the past. We believe in the need for unity of belief and purpose by the people of the nation in order for a prosperous and peaceful Turkey to rise on the foundations laid."

Ozal's Message

Motherland Party Chairman Turgut Ozal said in his Kurban message that they "believe that the way to be of service to and guarantee the ideal of a stable and strong Turkey is to unite around national goals, engaging in honest, civilized and well-balanced political activity."

"On this holiday when the plunge into a multi-party era is being readied and our minds are filled with the purest thoughts, the citizens and political parties which are an essential element of democracy have great responsibilities and duties," said Motherland Party Chairman Turgut Ozal in his message.

Yildirim Avci's Message

Correct Way Party Chairman Yildirim Avci said in his holiday message released yesterday: "It is our common responsibility as a nation to preserve and revitalize our national unity and cohesiveness, our national integrity and our republic."

Stressing the need to vote being cognizant of the future of the nation and the people, Yildirim Avci concluded his remarks by saying:

"Certainly, we will retain the conviction of our basic beliefs and philosophy. Certainly, we will be going to the polls with free democracy our experience and our cognition. Certainly, we will cast our sacred votes of our own free will, being cognizant of the future of the nation and the form of government... This is the correct and best way to preserve our identity, our rights and our law as a nation. However, we shall live together in this land, side by side as brothers without injury to any one of us."

Kartay's Message

Social Democracy Party Chairman Cezmi Kartay said, "Sentiments of understanding, sharing all problems and resolving them in a civilized way are the essence of the holidays."

The party chairman then added: "At this time, as we approach elections and a democratic system, we believe in the need for all of our citizens and especially the political parties to act with great sensitivity, adhering to the rules of civilization and morality in the resolution of problems. It is with these sentiments that I wish happy holidays to our great nation, to those of all beliefs."

8349

CSO: 355477

GEYHAN LAUNCHES SCATHING ATTACK AGAINST OZAL

Istanbul MILLI GAZETE in Turkish 17 Sep 83 pp 1,9

/Article by Zeki Geyhan in the column "Notes from Ankara": "Freedom of Interest"/

/Text/ Advertisement by Motherland Party has begun appearing in the newspapers alongside Motherland Party ads. Just take a look and you will see Motherland advertisements placed side by side with the advertisements of a bank. Look again and you will see them published along with perfume ads of interest to women!

A most interesting coincidence, most likely, was a Motherland ad published directly under a Turkish Air League ad. Kurban /Festival of Sacrifice/ is approaching and the Turkish Air League has swung into action. It is informing citizens how they can donate their Kurban fleeces to the Turkish Air League. Immediately under that appears excerpts from the Motherland program.

You would think that one was out to get the sacrificial hide, the other the meat! In fact, the Motherland Party has to be out for public meat; the citizen has already been skinned by Mr Ozal's economic program. Thousands of the brokerage stricken were left destitute. Now the "game head" is out to run the government. What does this mean? It means we will not stop at your hide alone, but will go on for the rest!

They are saying plainly: "If we come to power, we will decentralize Interest." They are saying, "We will carry out the IMF's demands and more." They brag that they have done this successfully in the past. "Freedom of Interest" is the basic principle of the Motherland Party! We will eliminate Interest, we will reduce interest, we will bring Interest rates down--they are making no such comments, and they have no such intentions. Whether you are buying or selling, they are fighting for "Freedom of Interest." Human freedom is not as important for them.

Pay attention to the Motherland ads squeezed between various other ads in the newspapers. They betray a remarkable commercial savvy. And the firm whose ads appear above is marked, too. How well they understand

each other, the Motherlanders and their six-pointed star sympathizers! Strange, but true! A flock of six-pointed star elements appears on their lists. Is it a coincidence that their ads are topped by those of a firm filled with the same beliefs?

In our opinion, the preference of the sympathizers of the six-pointed star is Motherland-oriented.

8349

CSO: 3554/7

SELF-EXILED OFFICERS CONSIDERED RETIRED, NOT DISCHARGED

Athens 1 KATHIMERINI in Greek 28 Oct 83 p 2

[Text] Officers of the Armed Forces who had taken refuge abroad because of their opposition to the dictatorship are considered to have retired and not been discharged from the service.

According to the law prepared by the Ministry of National Defense, it is recognized that these officers were not obligated to return to Greece because they would be persecuted.

As is known, there are still certain officers, who, while they were persecuted during the time of the dictatorship, have not been reinstated under laws 197/74 and 322/76.

Their reinstatement--it is explained-- does not provide for their reintegration, but for their promotion-in-grade for the readjustment of their pensions, as was done with the defendants in the Air Force trial.

Under another amendment, the opportunity is given to officers, who were retired by the yearly boards because of age, the completion of 35 years service, disability, etc., to be reviewed without having to have recourse to the Council of State.

This measure concerns the officers in the lower ranks up to the rank of Captain and the corresponding ranks of the Navy and Air Force.

The review mainly concerns the counting of service time to which officers may be entitled in order to adjust their pensions.

9731

CSO: 3522/56

ACTIVITIES, STRUCTURE OF NEWLY-FORMED 'KEED'

Athens RIZOSPASTIS in Greek 15 Oct 83 p 3

[Text] The activities of the Movement for the Democratization of the Armed Forces (KEED) have moved on to a new level. After the first successful demonstrations it is moving to the further coordination of its efforts to push forward the rights of the military and democracy in the Army. These prospects for yet another step forward by the KEED were emphasized during its Panhellenic Council which met recently in Athens. The 2-month campaign, which was kicked off with the slogan: "The people close to its children in the military," is the result of this work. Since 30 May, when the Movement was founded, 15 branches have been created in various cities in the country.

According to our sources, branches are being planned in Nea Ionia, Nea Filadelfia, Kaisariani, Elliniko and Agia Varvara in Attiki. Three new branches are being planned for Thessalia and one in Samos upon the initiative of the Workers' Center.

The objectives of the 2-month campaign, as determined by the Panhellenic Council are: To bring before every governmental official having jurisdiction the problems of the military, the democratization and the improvement of training and living conditions in the units; to express, in a more militant and coordinated way, the peoples' stand by the youths in the military, with civic, sports and other demonstrations, which will take place with the cooperation of local self-governments, labor unions and other organizations; to raise the soldiers' and officers' consciousness to the fact that the democratic popular movement is standing by them and struggles for them.

Types of Activities

Several types of activities were proposed during the Panhellenic Council. Some of them have already been implemented, as shown by the demonstration for the send-off of the new recruits that took place in Kokkinia, the steps taken with the Ministry of National Defense and the political parties, etc. The demonstrations for the send-off must continue as should the steps with the officials.

Other types are: the gathering of signatures of officials, the visits of organizations and celebrities to units with as much participation by the people as possible, the struggle for a radical democratization of Military Regulations 20-1, etc.

In the proclamation addressed by KEED to the people and the youth in the military, reference is made, among other things, to the following: "The Panhellenic Council calls on the Greek government based on the people, on the young conscripts and patriotic officers to move forward more decisively and to definitely hamper the plans of those forces--domestic and foreign--which for years have wanted the Armed Forces to be alien and hostile towards the people, an instrument of their own anti-popular policy." The KEED calls on the people and youth to support this nation-wide, 2-month campaign and KEED initiatives on the occasion of the anniversary of the Polytechnic demonstrations. To manifest the energetic support of the youth in khaki, to organize, in the municipalities, the unions, the associations, in every street corner, the mobilization for the support of the military and the democratization of the Armed Forces.

New Prospects

For all of the above KEED is planning a series of other activities such as its intervention for the democratization of the military regulations. The postures it gave to publicity were received by the movement of the masses and had an effect on the military. They bring democracy one step closer to the Armed Forces and the government must adopt them.

The publication of useful information on the rights and duties in the institutional context, which concerns the military, is in the final stages of preparation. It is a publication that will be useful to every youth entering the service. It was something that was lacking anyway and was demanded by the youths.

Two significant anniversaries are approaching, the 28th of October and the 10th anniversary of the heroic riot at the Polytechnic. The participation and intervention of the movement in these demonstrations can become, and with the peoples' and youth's participation, a step in the brotherhood between Army and the people, as the two anniversaries demand.

The KEED will hold lectures at universities on the problems of the youths in the military, will participate in the demonstrations of the mass organizations, will also study and present its position on the problems of the personnel in the regular service, of the officers and the noncommissioned officers. Such problems are: overtime, the law for rank hierarchy and promotions and the Pension Fund.

Some significant steps have already been taken. In any case there are many more that need to be taken. With its actions up to now, KEED has set a firm foundation for a greater development of its activities and the further expansion all over Greece of its structure, with even more individuals, by contact with the soldiers, the denouncing of conditions in various units, and generally, for an even broader development of the movement for the democratization of the Armed Forces, a mobilization to which every municipal authority, labor union, civic organization, every democratic person can contribute significantly.

9731

CSO: 3521/61

BILL ALLOWS CADET SAY IN ACADEMY ADMINISTRATION

Athens I VRADYNI in Greek 15 Oct 83 p 1

[Text] The government of "change" is preparing a bill to destroy the military academies. Deputy minister for National Defense, Mr. And. Drosogiannis, revealed that a bill will be introduced in the Chamber of Deputies in 1983, to give the right to military academy cadets to participate in the administration of the academy.

Thus, in accordance with the socialist bill, the first year Army or Air Force cadet and midshipman, etc. will have a "say" in the running of the academy, along with the highest ranking officer in command!

With the amazing bill being prepared in the Ministry of National Defense, the structures of all of the Armed Forces academies are to be revised.

As Mr. Drosogiannis stated yesterday, among the provisions for the new organizations there are included:

The recognition of the diploma of the military academies as equivalent to the AEI [Highest Educational Institutions] and

The right of participation by the cadets of the academies in their administration "as is the case in the institutions of higher learning."

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CSO: 3521/61

CURRENT PRESSURE TO FORCE DEFENSE CUTS SEEN AS PART OF TREND

Stockholm SVENSKA DAGBLADET in Swedish 7 Oct 83 p 42

[Article by Erik Liden]

[Text] In the 1950's and 1960's and early 1970's, Sweden had a very extensive military defense that was built up during and after World War II in the shadow of the war experiences and the Cold War.

Hopes of political and military detente in combination with economic worries about paying for a lavish defense system led as early as 1958 to substantial reductions, the impact of which was felt in the 1960's. The 1958 Defense Act reorganized the navy and ended the dominance of big ships in the fleet. Torpedo boats, mines and submarines were stressed instead.

But further cuts had to be made and in the 1960's defense politicians decided that the wartime and peacetime organizations had to be reduced and that the air force, which was one of the largest in the world, would have to be cut back to give Sweden enough money to develop new combat planes.

The result was that back in the 1960's, defense resolutions provided less money in real terms for military defense than before.

1972 a Decisive Year

People involved with defense policy and defense planning feel that the 1972 Defense Act was of decisive importance for the continued shrinking of military resources and for the situation defense is in today. This situation, the "defense crisis," has been accentuated by the high exchange rate of the dollar, devaluation, the increase in the value-added tax, etc., but as early as 1972 the Swedish Riksdag decided to reduce the scope of defense in the 1980's.

The reduction was confirmed and expanded in the 1977 and 1982 Defense Acts, but the foundation was laid in 1972.

The defense planning system is based on 5-year defense resolutions that include compensation for price developments in this country. Long-term

planning is necessary since the development and manufacture of materiel and the training of draftees normally takes 5-10 years when new weapons systems are introduced. When things are phased out, it goes faster than that.

The same time frame applies to all technically complex products in society but this is more noticeable in defense which receives great scrutiny from the time the first test shot is fired until the new military unit has been trained.

Planning for the Future

Development procedures require that a new generation of weapons be studied as soon as a system is introduced. When the first Viggen planes were produced at the end of the 1960's, the first preliminary studies were made of Sweden's combat plane for the 1990's and past the year 2000. Although the airplane issue was particularly complicated and involved many political rounds, we should bear in mind that the final decision on the JAS/Gripen [fighter-bomber-reconnaissance plane] was not made before 1982/83 when first a nonsocialist and then a Social Democratic government approved the military proposals. It took 13 years, in other words.

Many more examples could be given. The new ocean target missile, Missile 15 from Saab/Bofors, which is now being installed on 12 of the navy's Spica boats, was the result of a government decision in 1978 to say no to a direct purchase from the United States. That project went relatively quickly, but even so it took 5 or 6 years, a period during which the defense system did not have functioning missiles at distances up to 10 miles, which has long been an absolute necessity.

No Abrupt Changes

When OB [Supreme Commander of the Armed Forces] Lennart Ljung submitted his 5-year program plan for defense development until 1989 to the government last week he underlined the need for a steadfast long-range plan without abrupt political and economic changes. OB could also show that the defense share of state spending had declined from 17 percent in 1964 to 7 percent in 1984, a development that no other segment of the public sector has experienced. The table shows how the lower appropriations are affecting the military organization of defense.

"The reduction of the level of defense strength," said OB, "has occurred against the background of an explicit hope for a positive result from the policy of detente and expectations of the reduction of military forces in the rest of the world. These expectations have not been fulfilled; developments are going in the opposite direction."

OB also said that Sweden's defense cuts did not set an example worth following. OB criticized the 1982 defense resolution which was approved in a serious security situation that is even worse today.

In the basic resolution for 1982, Riksdag appropriated 450 million kronor less per year than in the 1972 Defense Act. The reduction assumed a more efficient compensation system for inflation, etc. Another assumption was that a savings program of 8 billion kronor over a 10-year period would be carried out by the armed forces. The cuts, which involve rationalization, personnel cuts and the abolition of regiments, were necessary to keep the military organization from being further reduced.

Back in October 1982, 3 months after the Defense Act went into effect, the government partially discontinued the price compensation system, FPI, a system that the Social Democrats also approved in parliament in June 1982. Now 100 million kronor of FPI money has been cut without any warning.

Liquidity became more of a problem in the fall of 1982 and for all of 1983 as a result of the rise in exchange rates, devaluation and the increase in the value-added tax.

OB found it noteworthy and deeply disturbing that an important basis for stable defense planning, FPI, was pulled out from under them after a couple of months.

The liquidity problem in the 1982/83 budget year meant that materiel worth 800 million kronor had to be postponed. Of this amount, 450 million kronor depended directly on the high level of the exchange rate of the dollar. The Defense Act used a dollar rate of 5.58 [kronor] and this year's planning work uses a rate of 7.42. The current exchange rate of the dollar is now 7.90. The FPI system handles only normal exchange rate upturns, a figure of 20-30 ore has been mentioned.

In addition to these disrupting effects on planning, the government took away another 200 million kronor a year from the defense budget for the 1983/84 budget year, which we are in now. Altogether OB estimated that defense resources for the period 1982-87 have been reduced by almost 5 billion kronor.

OB said bluntly after demanding the reinstatement of full FPI:

"The long-range development of security and defense policy cannot be determined by shifting exchange rates."

Air Force Hard Hit

These considerations led to OB on 27 September requesting 1.5 billion kronor more than the government approved for 1984/85. The air force has been hit hardest by the exchange rate of the dollar because the air force does a lot of business in the United States. In order to fulfill the intentions of the Defense Act to some extent, Air Force Chief Sven-Olof Olson redistributed more than 4 billion kronor to the period after 1989,

a plan rejected by OB. A new plan will be submitted to the government by 1 December.

OB also warned the government that the plan he has submitted now could be nullified if the government undermines FPI by removing indexing from public administration. There would then be compensation for a maximum of 4 percent of actual inflation.

The following projects will be involved if OB gains a sympathetic hearing for his economic plan:

Anti-tank weapons would be modernized, among other things by improving the front-line impact on tanks. The planned number of anti-tank mines would be ordered. New grenade-launchers and ammunition would be delivered.

Combat command centers would be modernized and high- and low-altitude radar systems would be updated, which would also be a major help to civil defense in giving the population adequate warning. Airborne radar could be acquired.

Signal and intelligence services would be reinforced with such things as the addition of encoders, artillery radar and a reconnaissance robot.

Costal Defense to be Retained

New ocean mines would be bought. Ther permanent coastal defense in Norrland could be maintained and naval readiness on the west coast would not be reduced.

The air base system would be expanded according to previous plans, thus increasing flexibility and endurance.

Three J 35 F Draken divisions could be retained and improved to strengthen air defense, a wish expressed in the Defense Act. This also requires modern missiles for the Viggen, even for attack purposes.

The cuts in refresher training would not be implemented. Construction activity would be expanded to make savings in the peacetime organization possible.

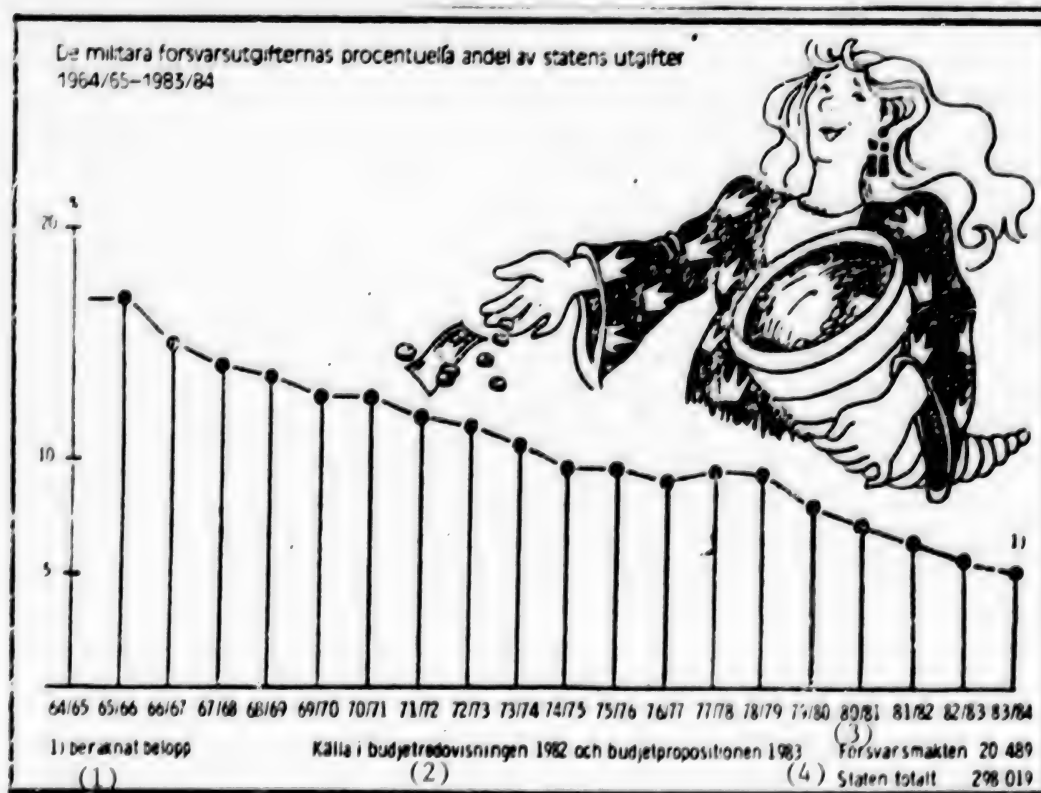
A return to the content of the 1982 Defense Act would involve allocating another 3 billion kronor for orders from the defense industry and 800 million kronor in the construction industry. This money would save over 4,000 jobs, according to OB.

As SVENSKA DAGBLADET reported earlier, 2.7 billion kronor would go to air force, around 1 billion to the army and under half a billion to the navy.

Defects Remain

Even if defense capability is restored to almost the level provided in the 1982 Defense Act, these steps will not offset the general downward trend. Sweden's capacity to meet an assailant close to the border and the coast will decline. The risk of a surprise attack far inland will increase. Despite the 600 million kronor over a 3-year period that is reserved for submarine defense, OB says the defects in the ability to maintain our territorial sovereignty in peacetime will remain.

No one at the Defense Ministry would discuss at present whether party deliberations on the economic crisis of defense would lead to a revision of the Defense Act and/or increased funding.



Military spending expressed as a percentage of total national outlays from 1964/65 to 1983/84.

Key:

1. Estimated amount
2. Based on the 1982 budget report and the 1983 budget bill
3. Armed forces
4. National total

Table. Wartime Organization of Defense System

<u>Units</u>	<u>1972</u>	<u>Planned</u> <u>1982</u>	<u>Actual</u> <u>1982</u>	<u>Planned</u> <u>1988</u>	<u>1993</u>	<u>Acute</u> <u>cuts</u>
Infantry brigades of 77	20	10	11	10	10	--
Infantry brigades of 66	7	10	9	8	6	--
Norrland brigades	4	4	4	5	5	--
Tank brigades	6	4	4	4	4	--
Mechanized brigades	--	--	--	1	1	--
Local battalions	90	90	90	85	85	--
Coastal artillery battalions	32	32	30	29	28	1
Destroyers/frigates	12	2	2	--	--	--
Torpedo/patrol boat divisions	4	4	3	3	3	--
Submarines	22	15	12	12	12	--
Viggen attack plane divisions	--	?	2	8	8	?
Draken air divisions	20	10	10	3	3	perhaps 3
Fighter divisions	10	5	5.5	5.5	4.5	perhaps 1
Reconnaissance divisions	10	6	6	6	6	?
Light attack	--	5	5	3	1	?
Basic battalions	65	55	50	45	45	perhaps 5

The reason why no acute reductions are included for the army and the navy is that renewal of materiel has been delayed in preference to disbanding military units.

6578

CSO: 3650/21

PAPER COMMENTS ON LONG-RANGE DOWNTURN IN DEFENSE BUDGET

Stockholm SVENSKA DAGBLADET in Swedish 9 Oct 83 p 2

[Editorial: "The Defense Discussion"]

[Text] The 1972 Defense Act represented something of a turning point in the development of Swedish defense policy. This act started Sweden on a deliberate and long-range course of demilitarization. The background for this was the security policy evaluation of the situation, primarily of the European situation. One could read the following, among other things, in the 1972 defense bill: "Political developments since 1968 indicate that for the first time in a very long period there is a situation in Europe that could provide the prerequisites for achieving a more lasting detente and cooperation."

The hopes from 1972 were dashed. Conditions in Europe are no longer marked by detente. On the contrary, purely military differences in Europe are very strong. Added to that is a somewhat different element than we had in 1972, the fact that our part of Europe is receiving more attention from both superpowers. It is not the case that tension simply increased in Europe in general. Tensions in northern Europe have intensified greatly. The Nordic region is much more important to security policy than it was before.

As shown by an article in the column, "Facts on the Last Page," in the Friday edition of SVENSKA DAGBLADET, the changed security policy situation has not been followed by defense policy decisions that appear consistent.

The security policy situation has intensified. We have responded with continued arms reduction.

Although comparisons over a period of time are difficult when it comes to defense, it is quite clear that Swedish defense has declined in strength. For example, in 1972 we had 20 Draken divisions. Today the corresponding level of strength is represented by two fighter Viggen divisions and 10 Draken divisions. Of this total of 12 divisions, one will be eliminated. Another three are threatened by the elimination of funds that will affect the defense system under last year's Defense Act.

This act means, among other things, that we will continue to stress both a broad conscription-based defense and a high-quality air force. In other words the 1982 Defense Act did not lead to any consideration of defense structure; enough funds were provided for defense so that the need for a more sweeping reappraisal was not apparent. But now, a year later, defense has lost 1.5 billion kronor a year as a result of such things as the increased exchange rate of the dollar. However the government still insists that the 1982 Defense Act should be implemented, "with the orientation provided by this year's budget proposal," as the government declaration so maliciously put it.

But now funds and ambitions no longer match. A choice must be made. Either follow through on the 1982 Defense Act. In that case, defense must be provided with more money. Or else force the defense system to operate within the framework given by this year's budget proposal. In that case it will be a very different kind of defense.

The choice of the right course to pursue should not be difficult to make. It would take no more money to implement the Defense Act than it will to live up to the promise made to LO [Federation of Trade Unions] about a deduction for union dues. Sweden's security is certainly worth that much.

In the discussion among the four democratic parties, it should be possible to reach agreement on granting defense the means needed to implement the Defense Act and to adopt the measures called for by the submarine violations. After that it should be possible in peace and quiet to conduct the more extensive review that is needed under the timetable allotted to developing the next Defense Act.

But if these discussions among the four parties are to lead to results, they must concern more than just the question of funding; party representatives must clarify which conclusions can be drawn even now from the violations of Swedish territory and conduct a thorough review of the material the Supreme Commander presented and the material on the air force that will be submitted later.

Only a serious review of the current situation with respect to both security policy as well as to the situation of the armed forces can show that in practical terms there is only one alternative for a responsible defense politician to pick. That alternative is to allocate funds for defense that are needed so that last year's Defense Act is not abandoned haphazardly and then arrange to make the itemized reinforcements of defense that can already be made in the short term.

65/8

CSO: 3650/21

ARMED FORCES MAY HAVE TO REDUCE CONSCRIPTION TO BUY WEAPONS

Stockholm 7 DAGAR in Swedish 7 Oct 83 pp 12-14

[Article by editor Hans Lindblad]

[Text] Hans Lindblad is an expert on defense financing, a former Liberal Party member of Riksdag and currently an editorial writer for the Liberal GEFLE DAGBLAD. His prescription for an effective Swedish defense is to train fewer draftees and use the money this releases to purchase better materiel. Around 1.5 billion Swedish kronor could be saved each year on 15,000 draftees.

Sweden could have a better and stronger defense, both militarily and in terms of the civil aspects of total defense if we reduced the number of draftees. Or if we accept the current defense capability, this could be maintained at a lower cost. And can we really afford to choose uneconomic solutions in any sector of public activity?

Our country can mobilize a defense force of around 850,000 people. That is clearly larger than England's defense force and it is not so far behind Italy, France and West Germany. But Sweden has only 8 million inhabitants, while these other countries have between 54 and 62 million inhabitants. This makes it obvious that our economic opportunities for equipping our forces are substantially smaller.

The military defense sector also has severe defects in quality. The submarine hunt was perceived as a shortcoming. But the fact that Sweden totally abandoned vessels with a capacity to hunt submarines in the 1972 Defense Act was the result of a very deliberate decision. That function was rejected--making Sweden the only coastal nation in Europe that has turned its back on vessels with this capability. (I am not including Ireland, which has almost no defense at all, and Albania, which does have submarine-hunting vessels but ones that are so old that they would have little effectiveness.)

But the submarine hunt is just one example of a serious deficiency. Sweden cannot detect airplanes that fly toward our territory at low altitudes except on the coast of Svealand and down along the Baltic coast and past Skane. But the west coast, the coast of Norrland and Tornedalen have no radar at all for low-altitude reconnaissance. And if airplanes cannot be detected, we cannot warn people of this kind of attack--meaning that there would be no time for them to get to a shelter. (A few years ago it was decided that we should acquire a radar system for low-altitude planes that would also scan the ocean surface--in other words it would meet the needs of the air force, civil defense and navy combined. But this system has been postponed for economic reason.)

Our skilled units have been drastically reduced. Fighter planes dropped from 33 divisions in the 1950's and 20 at the beginning of the 1970's to today's 12 divisions. Now there is a discussion as to whether we should reduce this to seven or eight. This in a situation where the Defense Committee prior to the 1982 Defense Act said that there was an increased need for air defense. (An attacker would be able to use more transport planes and helicopters against us than was true before. Soviet attack planes have increased their range and cargo capacity--when they used to be clearly inferior to NATO in these respects. An assailant's fighter plane can operate more aggressively over our territory than before since it can be guided for long distances with big new radar aircraft of the AWACS type and similar models. And cruise missiles are a new element.) Our former six air defense missile divisions for high altitudes have been completely eliminated (prematurely so that England could buy back the missiles and use them).

Over a period of years our submarines have been cut in half from 23 to 12 units. Minesweeping capacity is very weak because modern units were not added as planned. From being pioneers in the area of ocean missiles, we have fallen far behind--but Missile 15 at least means that now we will soon be back in the race again.

We totally lack antitank helicopters and tank-penetrating artillery ammunition. We have a big shortage of tank mines. The tank brigades lack modern air defense and army units lack antiaircraft missiles that can be used in darkness and in poor weather (with the exception of a small number of Hawk missiles in Skane). Attack planes have no weapons that can be used against more resistant ground targets such as road embankments and larger bridges.

Big Need for Helicopters

Studies have shown that the first thing to break down for military units would probably be health care which would probably also drastically reduce combat morale. Larger numbers and inadequate quality would naturally increase the number of dead and wounded. The lack of helicopters to transport the wounded is especially serious in upper Norrland--we have very few helicopters in the Swedish armed forces compared to other countries with

corresponding personnel levels in their armed forces. But the vast distances in parts of Sweden make the need for helicopters greater for us than for most other European countries. (Combat fatalities depend heavily on the amount of time it takes to get a wounded person to the operating table.) Sweden's great size and the scarcity of people in the North means that Swedish defense has a very great need for transport.

A very striking shortage involves bridges. Despite our many rivers, Sweden has fallen far behind here. Thus in a combat situation Swedish units would probably be prevented from stepping in because they happened to be on the wrong side of a river and we would need a very long time to get over it.

The supply of ammunition is low. There are big shortcomings in our ability to operate when telecommunications are interrupted.

But we have finally started acquiring cross-country vehicles for personnel transport. This means it is now possible for modern brigades to abandon the slow and tiring system of cycling or being hauled on skis by a tractor. But that transport method of course illustrated that we were standing by numbers that were out of proportion to our economic ability to arm and equip an enormous army. A very small number of army units are armored, whereas a great deal of an assailant's units can be expected to come in armored tanks and transport vehicles. It would be permissible for the ratio to be somewhat lower for the defendants, as far as that goes. Sweden's great size--and the scarcity of people in the North--mean that the armed forces have a great need for transport resources.

Deficiencies have been noted in the area of training, for example with respect to night combat and protection against ABC weapons. For several years retraining exercises have been canceled which means that units have actually lost their ability to go into action directly after mobilization.

Canceling retraining exercises is really absurd. A unit with materiel worth hundreds of millions and with thousands of draftees who cost 100,000 kronor apiece to get through basic training would lose a great deal of its capability just because savings were made on refresher training.

The problem I am discussing here would be substantially reduced if we cut back on the number of draftees instead. The Norwegian Professor Ragnhild Sohlberg, who is probably the researcher who has worked most with the utilization of conscription, said at a conference in Storlien that conscription is a wonderful system. It makes it possible to select exactly the numbers and the quality that are needed. In other words, conscription can give enormous flexibility.

But instead of taking advantage of this possibility, the decision-makers in Sweden have chosen to make the system as rigid as possible. They have

namely chosen in principle to train all men irrespective of whether they are needed in the military organization or not.

That is the reason why over 49,000 men can go through conscript training in a year but only 40,000 are placed in the military. In other words, every fifth draftee is not used.

The armed forces are in a very difficult economic situation. But in spite of that, the intention is to train even more draftees in the next few years--because we have so many people eligible for conscription in the 1980's. The defense system does not need the extra numbers. But it is the birth rate 20 years ago that is determining things, not the needs of the military organization. Toward the 1990's these age groups will be reduced.

Invest More in Materiel Instead

In France everyone is talking very positively about defense--even the communists--and conscription is stressed as something very important. But it would not occur to anyone to train more draftees than the armed forces could arm and equip. The same thing is true in West Germany. Denmark trains 40 percent. When the Defense Committee visited Denmark, we asked if that lowered the credibility of Danish defense. The Social Democratic defense minister looked puzzled. "Why the defense system was improved by it." If Denmark trained all men as soldiers, the country would lose its armed forces, from what I understood, since the money would all be used on basic training and after a while there would be no materiel left at all.

In Sweden we have clearly experienced that it is materiel that is reduced when purchasing power in defense appropriations is reduced (whether the reduction is deliberate or a result of such things as devaluation). When OB [Supreme Commander of the Armed Forces] reports a need for more money, he points to entire lists of vital materiel that will otherwise be cut altogether or postponed.

But the harmful effects would be much smaller if we instead, or also, reduced the number of people trained each year. One training place in a regiment can be said to cost 100,000 a year. The same amount spent on materiel would provide equipment worth 2 million kronor in long-range planning (if I estimate that on the average the materiel would last for 20 years). In other words a regiment with 1,000 training spaces should be compared to materiel worth 2 billion kronor.

The 1925 Defense Act--through a cooperation between the Social Democrats and various liberals--sought a balance between quality and quantity. We had a division into categories and the air force was created. But there was a miscalculation of the purchasing power of defense appropriations and therefore the numbers should really have been cut a little more, leaving the armed forces better equipped. The qualitative deficiencies were much

too great (planes were extremely old-fashioned and tanks and anti-aircraft defenses were of very poor quality). The 1936 Defense Act tried to correct some of these qualitative defects. In other words it provided more for materiel. The division into categories was retained. It was not until the war years--when the defense budget could be increased from the prewar level of less than 2 percent to more than 11 percent, thus removing the economic restrictions--that the training of all men was reintroduced.

More Young People in Civil Defense

It can be noted that the Conservatives and the 1925 general staff closely associated with them rejected the importance of materiel and put all the emphasis on retaining maximum numerical strength. It was not until a group of younger opposition officers--the group around NY MILITAR TIDSKRIFT, headed by Helge Jung--presented their own program that quality was given some importance. As time went by, many have praised this group of military innovators. But then why be so hostile to the idea of using conscription flexibly once again?

On the Defense Committee prior to the 1982 Defense Act, Carl Tham and I were alone when we called for a reduction in the contingent of draftees. We proposed that 2,000 people eligible for the draft be directly recruited for civil defense. Along with conscientious objectors and women, that would have provided 5,000 young people a year for civil defense. For the problem is that civil defense is full of old men and the high median age means that annual personnel replacement needs are great. And civil defense cannot afford to train that many people. For that reason the civil defense force does not train its regulars, just its officers. The result is that civil defense would not be able to go to work immediately after mobilization. But if instead civil defense could recruit younger people who could remain in the war organization for several decades, it would be more economical to spend money on training the rank and file.

When the Defense Committee had 11 independent writers give their views on security policy and defense, none of them argued for a reckless stress on numerical strength. On the contrary, all those who mentioned the balance between quality and quantity stressed quality. Alva Myrdal and Gunnar Heckscher both advocated a solution with fewer draftees and Johan Tunberger and several others could be said to have argued for the same solution by putting the emphasis on quality.

Actually OB acknowledged the problem in his background briefing to the committee (the 1980 Perspective Plan), when he said that at the lower economic level, corresponding to what the Social Democrats recommended, restructuring would be needed to get the biggest possible effect within this financial framework. And after weighing quality against numerical strength OB proposed at this level that around 10,000 men a year be exempted from basic training for draftees. The economic level we now seem likely to get--because of devaluation and other reasons--makes it natural to implement this OB proposal.

How many draftees are needed? The army has 20 modern brigades. If we estimate that on the average a draftee remains in the military organization for 10 years, we need to train enough personnel each year to match the strength of two brigades, in other words, 10,000 men. In addition to that there are some independent units, such as chasseur battalions, some infantry battalions, division units with artillery, air defense and anti-aircraft maintenance and some high staff units. I think some of those eligible for the draft should be recruited for some especially vital local defense units, such as those intended for street fighting. (The nine nonmodern brigades which cannot be provided with new materiel in this decade, on the other hand, should be phased out eventually and basic training of draftees for them should be phased out several decades before that.) In the case of some of these units, draftees should be able to remain in longer than they can in the brigades. To set the figure fairly high, let us say that we should train 8,000 draftees a year for these units.

Put the Jobless Into Defense

Around 5,000 draftees a year are needed for the navy and the coastal artillery and the air force needs about 3,500. In both cases, units can be resupplied with draftees much too quickly, which is uneconomical from the viewpoint of the needs of the war organization. But the problem is that readiness service in peacetime requires more people. There should be a critical study made of whether a transition to permanent jobs to meet those needs would be more efficient. In principle it is extremely unsatisfactory to draft people and then not use them in the war organization. The whole motivation for the conscription law is the need to defend our country. It is almost offensive to use this compulsory law to take care of peacetime tasks. "Fatigue-duty draftees" should be eliminated altogether. It would be far more rational to use unemployed young people to take care of this kind of job instead.

It is my understanding that we should be able to get along with 30,000 draftees a year (including a certain margin to make up for those who drop out during training). Cutting the number of draftees by 15,000 a year should save 1.5 billion kronor a year, corresponding to materiel worth 30 billion kronor.

Around 750,000 in War Organization

If we estimate that the average draftee will remain in the war organization until he is 40 years old, this adds up to around 600,000. With fewer draftees, there would obviously be less need to transfer people with military training to the civil segments of total defense than there is now and thus on the average those with military training could remain longer in the war organization than they can today.

On top of that we should be able to add a home guard made up of 100,000 men along with 50,000 permanent defense employees over conscription age,

women volunteers and guard units (work that could also be performed by people over the age of 47). Altogether this would give a military organization of 750,000 people. It is true that this would be 100,000 fewer people than we have now, but it would not be until the year 2010 that those who have already been trained will leave the organization (when they are older than 47, in other words), so there would be a long transition period. The 47-year-old limit is also irrational; many could probably be used longer than that.

When people talk about "universal conscription," they always mean the conscription of men, in practice. The rational solution in the long run would be a total defense obligation in which all the functions within military and civil sectors of total defense are included and in which as far as possible individuals are placed in such a way that their knowledge and talents receive maximum utilization. But big gains can be made just by using conscription flexibly--allowing training to be determined by need and common sense instead of being a totally rigid dogma.

6578

CSO: 3650/21

ADDITIONAL DETAILS ON USSR 'SPETSNAZ' WAR ROLE IN SWEDEN

Stockholm SVENSKA DAGBLADET in Swedish 13 Oct 83 pp 1, 6

[Text] This spring the Swedish intelligence service described in a classified report Soviet training camps in the USSR for diversionary units.

In these camps soldiers are given special training for assignments in Sweden.

The training camps were named in the report.

There are copies at the camps of the targets to be attacked by the Soviet diversionary soldiers.

The soldiers who train there speak only Swedish, read Swedish newspapers, use Swedish money and, in particular, wear Swedish uniforms.

In the event of war, these soldiers would be landed in Sweden, either by minisubmarine or by parachute, about 1 day before a real assault.

The only Soviet naval unit that has minisubs is the diversionary unit, the so-called Spetsnaz. In a war their primary task at an early stage in the conflict is to attack enemy naval bases, land sabotage groups, lay or deactivate mines, etc.

SVENSKA DAGBLADET revealed this in an article on 28 April of this year.

According to the Soviet military encyclopedia, these special units are intended for espionage and diversionary maneuvers behind enemy lines. Their mission is to collect intelligence, disrupt and knock out vital defense and industrial facilities and disorganize the work of the enemy's political military leadership.

In plain language, that means murdering highranking military and political people.

The only military power in the Baltic area that is equipped with this type of minisubmarines is the Soviet Union. The Submarine Defense

Commission linked the Soviet minisubs with diversionary units and said that these units are intended for use against particularly vital military and civilian targets in the initial stages of a conflict.

At Soviet Embassies

In reality the Submarine Defense Commission thought this was precisely what the Soviet Union was practicing with its minisub activities.

In a crisis, diversionary soldiers would also be placed at Soviet embassies and consulates. They would work under the cover of being technical and military attaches, chauffeurs, secretaries or some other position at these diplomatic establishments.

In an open report prepared by the defense staff, on the basis of information from the classified report referred to above, the Soviet Union was not mentioned by name. It said among other things:

"Materiel for their activities is to be taken from the opponent. Human life would seldom be spared unless it benefits the assignment. The laws of warfare would not always be respected. Primitive methods of torture to obtain information could be utilized."

The open report states that materiel for sabotage actions is already in place during peacetime.

Diversionary soldiers are armed with automatic rifles with collapsible stocks and pistols with silencers. Each man has an "attack knife." The knife blade has a spring and can be projected over a long distance.

Sprays to immobilize dogs are included in the equipment.

Spare rations and stimulants in tablet form would be brought along. A poison capsule to be used in the event of capture is sewn into the uniform. These soldiers are instructed never to be taken alive.

Each diversionary group consists of 20 men--9 officers and 11 men. The units are found in all branches of the service.

Against larger objectives, such as headquarters and major cities, between 900 and 1,200 diversionary soldiers can be used in a unified attack.

Trips Abroad

In peacetime these soldiers make many trips abroad to gain familiarity with future assignment locales. They are all sportsmen and make their trips abroad mainly in that capacity.

The diversionary force of each service branch works independently. Thus the army's diversionary unit belongs to the Red Star sports club. KGB specialists of this type belong to the well-known club, Dynamo Moscow.

The navy's diversionary unit, which includes minisub crews, travels around the world disguised as naval athletic teams. The groups that work with long-range reconnaissance travel most frequently under the cover of being part of the Soviet Olympics team.

The defecting Soviet KGB officer who uses the pseudonym Viktor Suvorov revealed this and many other details in his book about the Soviet military system--"Inside the Soviet Army"--which was published in 1982.

Among other things, many fishing trawlers would be mobilized in wartime. They would sustain and support operations with the diversionary unit's minisubmarines.

Swedish intelligence sources told SVENSKA DAGBLADET that the reference to "all security precautions have been taken" means that so-called sleeping agents have been placed in Sweden.

These agents are trained primarily in sabotage in the event of war. They are believed to have explosives and weapons hidden in Sweden.

It is believed that they are supplied with new identities in Sweden. They hold middle-level jobs in industry or government agencies.

SVENSKA DAGBLADET has also learned that the armed forces suspect that some of these sleeping agents have now been activated. Their assignment is assumed to be to photograph and register the terrain, paths, hiding places and people connected with places where diversionary units would land.

6578

CSO: 3650/21

GOVERNMENT ECONOMIC POLICY MEETS GROWING CRITICISM

Zurich NEUE ZUERCHER ZEITUNG in German 30/31 Oct 83 p9

[Article by Daniel Hofmann, economic correspondent, Bonn]

[Text] The Kohl government has a bad press in the economic policy area despite clear signs of increased economic activity. The discontent extends from Right to Left, from workers to employers. If one disregards the impossible demands of interest groups, the complaint that the government is lacking profile emerges as the common denominator.

Although Bonn would like to take credit for it, the improved economic climate can be ascribed to a minimal extent to the new government. The revival of housing construction and of the capital-goods sector is due to measures passed entirely (investment incentives) or partly by the Schmidt government. But even these steps wouldn't have had much of an effect if the monetary policy had not shifted to expansion back in the spring of 1982. Together with relative wage restraints during the past three years--the labor unions are talking of a nearly 3 percent decline in real incomes--it was business rather than policy that provided the basis for recovery; the change last October may have contributed to the improved climate. A look at the statistics shows, however, that the reliable Ifo Climate Index indicated upward trends already two months prior to the change of government.

Widespread Discontent

It isn't only that Bonn cannot take credit for the upswing; there is growing public doubt about the course of economic policies. That the SPD as opposition party expresses doubt is understood; nevertheless, what is surprising is the choice of harsh words with which efforts to put the budget on a healthy footing are dismissed as an attack on the social state. The labor unions are also speaking of the destruction of the social consensus. And even the business community, which, in 1984, will benefit from tax relief measures totaling DM 3.5 billion, seems unhappy. The Federal Association of Young Businessmen, for instance, stated that the initiatives taken to-date are no cause for hope that the policies would provide a significant impetus to economic recovery; and Otto Wolff von

Amerongen, on behalf of the German Federation of Industry and Commerce (DIHT), criticized the absence of a noticeable relief in the tax burden. At the beginning of the week, the five economic research institutes, which are more objective and less tied to special interests, also gave bad marks; they are missing the financial fallout of the promised change and are asking themselves whether the government's obvious lack of profile may not have a negative effect on the recovery.

Too Short a Jump?

Even if Labor Minister Bluem--speaking for his ministerial colleagues--is gradually getting fed up with being asked, with a glass of champagne in his hand, about the change, the Bonn government must be judged against the standards it wanted to set at the time. The government started out with plans to consolidate the national budgets while curbing the excesses of the welfare state. The focus was, of course, on social legislation. Conceived on the assumption of continuous growth, ramifications not thought of before emerged with increasing clarity during the recent recession; revenues stayed below expectations while legally mandated social welfare expenditures continued to climb, if only because the circle of those entitled to receive such benefits became bigger and bigger. According to an OECD report, this is precisely one of the major reasons why the budget deficits grew so fast.

Since the Schmidt government could not be expected to carry out the necessary consolidation, the change seemed to practically impose itself on Kohl. Wasn't it true that for years the opposition had warned against the wrong course and had been talking about bloody cuts if the government should change? There had also been much talk about the inherited burden. But business believes that the new government has failed to put the first hour of its political honeymoon to good use; even after the 6 March election victory, which had to be interpreted as a mandate for continued work to rebuild the economy, no deep cuts were made. In addition, the coalition parties had become divided among themselves over which path to follow. In the end, Minister President Albrecht of Lower Saxony stated in his famous remarks to the CDU leadership that the psychological lift which both the change in government and the election victory of the coalition had triggered in the business community, had petered out.

Total Concept is Unclear

Now, the budget policy has, no doubt, been successful in some respects. The austerity efforts of the Schmidt government were continued. The most recent estimates show that the new federal debt for 1984 will total only DM 35 billion compared with DM 40 billion this year. In this, Bonn is going to benefit primarily from central bank profits which should amount to DM 8.5 billion. In assessing the political magnitude of "net borrowing," it is easy to forget that Finance Minister Stoltenberg also has been successful in keeping the growth rate of budgetary spending down to 1.8 percent. The tenacity with which Stoltenberg pursued these fiscal goals, is impressive. Thus, as expected, the finance

minister has emerged as one of the most important personalities of the Kohl cabinet.

However, what causes criticism even among government-friendly observers is the lack of a complementary program to restore the health of the budget. The spokesman for the executive board of the Deutsche Bank A.G., Dr Wilfried Guth, believes that, behind the balanced budget, there is also the desire for "less government;" he feels that this is where--in contrast to purely cyclical considerations--the importance of a healthy budget for economic growth rests. CDU politician Kurt Biedenkopf, who has been relegated to the affairs of the land of Westphalia, believes the people must now be told about the economic objectives of the consolidation so that the austerity program can continue to be carried out on a consensus and majority basis. According to Biedenkopf, it would have to be explained that the spending cuts would put pressure on the government to be more efficient. This would be the only way for the politicians to do their job and use tax revenues in a productive way.

Hence, the budget reform is not an end in itself. The research institutes also believe that it must be reinforced by a reordering of the existing priorities. In their most recent report, they listed the dismantling of excessive regulation, de-bureaucratization and easier market access. This would involve the minister of economics who happens to share this part of the criticism. The courage to expand markets is part of the "concept of a policy designed to overcome slow economic growth and to combat unemployment," which Count Lambadorff submitted in September of last year. The economics minister, who, in his paper, accorded to a free-market orientation the same priority as budget consolidation and adjustment of the social security system, seems to have found little support in the cabinet, however. Now and then, his ideas turn up in major speeches; their impact on practical policies is, however, hard to find: as Wolff von Amerongen notes, the government lacks a coherent economic policy.

Lack of Vision?

The reproach must hurt the coalition all the more since it likes to refer to Ludwig Erhard. Now, the first economics minister had exactly what the coalition parties are obviously lacking today: a consistent idea of the necessary course of economic policy. Erhard's "sons and grandsons" may faithfully represent the interests of groups; still, as soon as the big people's party, the CDU, must agree on priorities, there are conflicts, and outwardly it projects the image that it is quarrelling within itself. "He who must fight in the party for what he himself proclaimed to be urgently needed," the commentator of the FRANKFURTER ALLGEMEINE ZEITUNG writes, "does not convey the impression that he can carry out with vigor what must be done in terms of economic policy."

To the extent that both the vision and knowledge about the efficiency of the social market economy get lost or can no longer be justified, it is easy for leftwing critics to underscore the alleged social injustice. Slogans such as the restoration of the "elbow society" or "redistribution from the poor to the rich" are thrown into the discussion by the SPD, although there is no visible

evidence that the party is still debating the social market economy idea. In the seductively simplified explanation of the left wing, "social" seems to be used merely as a synonym for "fair" and "morally better." Thus, the thesis of the Council of Experts that social balance and growth stimulus cannot always be reconciled, can hardly be defended. Or as the research institutes noted in their latest report: what is needed is not a "balanced" but an "efficiency promoting" tax reform.

Fervor is Lost

The CDU has tried to promote this idea in its election slogan: "Performance must again pay off." However, since the elections in Hesse, doubts seem to prevail about the accuracy of this phrase. Bonn's austerity program, Federal Chancellor Kohl said, has cost the coalition at least 200,000 votes, particularly those of workers. Subsequently, there were demands from the labor-wing of the CDU that from now on the party emphasize its social image; that the government correct the course of its policies; and that a more equitable distribution of the austerity measures and the elimination of unfair advantages for the rich be ensured. As a result, the CDU is now keeping important reform initiatives under lock and key or, at least for now, does not discuss them anymore in public.

As for Minister President Albrecht's suggestions, Kohl made only the all-inclusive statement that they contain some clever ideas, some ideas that are worth thinking about but unrealistic, and some other things which he reject completely. And yet, Albrecht had merely pointed out a few economic relationships that already had been studied by economists. However, what was annoying to the party and the public was obviously the fact that it was now a politician who had made high labor costs (wages and fringe benefits) the focus of his analysis. Yet the critics ignore that the shadow economy--where, as is well known, there are no fringe benefits--has expanded over the years and--depending on the estimates--now accounts for 7-13 percent of the gross social product.

Between Skepticism and Hope

To many it may not come as a surprise that Bonn's fervor for reform has lost momentum. In all fairness, one has to agree with Finance Minister Stoltenberg that the "inherited burden" cannot be dismantled overnight; "the tropic of fiscal policy is large," Stoltenberg likes to point out. But the finance minister is not exactly among those who can be accused of lacking profile. However, that doesn't hide the fact that "white spots" dominate other areas and that the impression of a zigzag course prevails.

There are skeptics who basically doubt that the first attempt of a parliamentary democracy to "redress the social state" can be successful "in a way that its economic costs to society are equal to their value as a factor of production." Economics professor Herbert Giersch, Kiel, interprets these doubts as social envy: it creates populist pressure from below and is so strong, he says, "that politicians who want to push forward, come out in favor of bread instead of

seeds, and in favor of bread with games rather than of incentives for innovative competition." Whether it is possible "to stop the wheel of the welfare state," Giersch won't say. But he is convinced "that a return to healthy economic growth does not take less time than the incubation has, than the time it takes for developments to head unnoticed in the wrong direction."

7821

CSO: 3620/47

OVER-AGE INDUSTRIAL EQUIPMENT, LACK OF INVESTMENTS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 28 Oct 83 p14

[Article by Paul Bellinghausen]

[Text] Too few investments have been made for too long a time in this country. Many firms are now working with machinery that, from an economic point of view, are scrap metal and should have been replaced by more productive equipment a long time ago. The depressing consequence: an army of millions of unemployed.

From the very beginning, the big OPEC challenge should have been met with massive investments. But so far, there have been no signs of such a counter-strategy. And to think that the first oil-price shock took place ten years ago! At that time, the economy was burdened with ever increasing costs: apart from energy being expensive, wage and interest costs were high. Companies that didn't go into debt, could not avoid long-term losses in earnings. Their earnings capacity was weakened considerably. The necessary accumulation of reserves did not materialize. The equity blanket became shorter and shorter, and financing with borrowed funds more and more dangerous. In addition, the public debt grew so fast that it devoured a large part of capital formation so that many citizens looked at it as a mortgage that could no longer be paid off. All of this did not help to encourage business to reorganize and expand its manufacturing equipment.

The German capital-goods structure is almost a case for gerontologists. According to the Federal Statistical Office, the stock of capital goods in the German economy, consisting of equipment and plants (including housing), grew by an average of 6 percent per year in the 1960s, and by 4 percent in the 1970s. From early 1980 to early 1983, the growth rate declined to a mere 3 percent. Thus, we seem to be approaching the investment optimum of the environmentalists: zero growth ensures a healthy environment.

But this is a fairytale. It is the over-age industrial equipment that is so harmful to the ecology. One should only think of the old coal-operated power stations. New equipment has a great deal of built-in environmental protection. And something else should be realized: growth can indeed be ecologically friendly. The only important consideration is that environmental protection is organized in line with market-economic considerations.

The productivity of an economy depends critically on the age of its production equipment. The younger it is, the more technologically advanced it is, the higher is its hourly productivity (labor productivity). The trend is threatening: In 1960, almost 32 percent of all capital assets were added during the preceding five years. Ten years later, in 1970, it was 28 percent. Another ten years later, in 1980, the level had declined further to 23 percent. The aging process is very obvious. If this over-aging continues, the opportunities to boost productivity will be lost. This would have fatal consequences for Germany's competitive position in international markets and for economic growth overall. There would no longer be any room for significant expansion.

Now, the speed with which investments are being made has slightly accelerated in recent times. But behind it, Bonn does some doping: investment tax incentives for industrial investments, programs to promote residential construction. While, in 1962, there was a clear downward dip in the investment curve, it is now heading in the right direction. For the current year, economic researchers expect a real growth rate of 3.5 percent, and for 1984 one of 4.5 percent. Nevertheless, even these growth rates are nothing to brag about. A Bundesbank analysis reveals that.

During the first half of 1983, business (excluding the housing industry and financial institutions) increased their investments in new equipment and plants by 4.5 percent over the first half of 1982. In so doing, for the first time in two years, business spending on industrial equipment grew somewhat faster than the nominal gross social product, i.e., the sum of all goods and services produced. This is encouraging, but not nearly enough.

Compared to the growth in incomes, the Bundesbank says, equipment investments "continue to be very modest, and in light of what is needed for structural change and for the defense of Germany's competitive position in domestic and foreign markets, completely inadequate." Business is merely replacing its old equipment; that means, it has neither the courage nor the funds to strengthen its productive base. Hardly any investments are being made to expand production.

The depressing figures: During the first half of 1983, capital investments by business accounted for only 11 percent of the gross social product. If one subtracts from this the costs of depreciation, only 1.5 percent of the gross social product was spent on fixed assets. Only to this modest extent did investments exceed the wear and tear of the equipment. "Except for a brief period following the 1973/74 oil crisis, this is the lowest percentage ever in the FRG."

During the 1970s, an average of 4 percent of the gross social product, and in the 1960s a somewhat higher 6 percent, was spent on expanding fixed assets. The Bundesbank comments, "However encouraging recent improvements of investment activities are, these figures show that investment growth must go beyond these initial steps if it is to lay a lasting basis for economic growth and if it is to expand employment opportunities."

However, it is the job-creating effect of investments that many citizens have doubts about. The prevailing view is that investments in industrial equipment

displace human labor. A close look will take care of such suspicion.: As a rule, periods of high investment are times of growing demand for labor. Increased investments ensure jobs and create new employment opportunities. The very fact that parts of the production system are relatively old, makes it impossible for the economy to develop its full potential, and jobs remain unfilled.

The rationalization motive is now gaining increased importance in investment decision-making. In a survey conducted by the Ifo Institute of Munich, more than half of all enterprises indicated that their investments this year would introduce new manufacturing methods. And that is--Ifo says--a postwar record. But rationalization does not mean the loss of jobs.

In its most recent report, the Council of Experts again pointed out "that investments for rationalization purposes are necessary to ensure the competitiveness of an economy that is closely interlinked with world markets, and that, for this reason, such investments are also decisive for the future standard of living." The German wage level, they believe, can only be justified if one can count on growing productivity also in the long run. "And for that, investments for rationalization purposes are imperative." The five wise men suggest that too few, rather than too many rationalization investments have been made.

The Bundesbank is taking a similar view. In its 1982 annual report, it reminded its readers that the economic efficiency of the FRG's capital stock had suffered from the two oil shocks. The high use of capital equipment, aimed at preserving energy and developing energy substitutes has not boosted labor productivity by much. In addition, the increase in competition from the newly industrialized countries in traditionally important industry sectors has led to cutbacks in capacity. This, as well as the over-aged production facilities, can only be remedied through additional investments, the Bank believes.

In the Bank's view, those investments are needed that promote technological progress. And it is in the area of technological innovation where business has developed a pent-up demand over recent years. The Bundesbank goes into the reason for this unfortunate development: investments in new technologies are being put on the backburner whenever business profits are low and when the risk of such investments is too high in comparison to anticipated profits.

7821

050: 3629/53

LABOR LEADER: UNION NOT INTERESTED IN SWEDISH-STYLE FUND

Helsinki HELSINGEN SANOMAT in Finnish 5 Oct 83 p 9

[Article: "SAK's Lundh: Wage-Earner Funds by Means of Wage Settlements"]

[Text] The Central Organization of Finnish Trade Unions, SAK, is not striving for Swedish-style wage-earner funds which would require changing the legislation. SAK is ready for more moderate fund models which could be realized with agreements between labor market organizations.

SAK's secretary Per-Erik Lundh (Social Democrat) said on Tuesday that such wage-earner funds as the ones Sweden's Social-Democratic government is striving for cannot be materialized in Finland.

The realization of Swedish-style funds would require constitutional arrangements in Finland, in other words, there would have to be as large a majority as 5/6 of the parliament behind the venture. It will not get that kind of majority, remarked Lundh at the wage-earner fund seminar organized by SAK in Helsinki.

According to Lundh, it would be necessary to find such models which could be materialized by negotiating, either in connection with the centralized wage settlement or even by means of agreements on union level.

Lundh was surprised that in Finland many people are ready to express their opinion about wage-earner funds, despite the fact that we do not have a single proposal ready with regard to wage-earner funds.

SAK's secretary suggested that a state committee or commission would be set up to investigate the relations between risk financing, investments and employment factors of the companies, and democracy in the labor market.

STK Will Not Negotiate

The Finnish Employers' Confederation, STK, rejects the idea that the labor market organizations would negotiate about wage-earner funds. STK will not negotiate about wage-earner funds or any other attempts to change ownership by force, remarks Director Heikki Konkola, whose responsibilities include matters related to company democracy and administration of personnel.

12190

CSO: 3617/18

PAPER LAUDS UNION MOVEMENT FOR OPPOSITION TO WAGE-EARNER FUND

Helsinki HELSINGIN SANOMAT in Finnish 7 Oct 83 p 2

[Editorial: "Finland's Trade Union Movement More Reasonable Than Sweden's With Regard to Wage-Earner Fund Dreams"]

[Text] Fortunately the dispute over wage-earner funds, tearing apart Sweden, has not spread into Finland. However, the discussion is getting livelier also in our country, but in other tone of voice. At least up to now, the attitudes have been coolly factual and not rushed. Unnecessary political tension has not been developed in the same way as in Sweden.

To follow the steps of our western neighbor would be unwise in this matter. It is true that Sweden's fund model is still crude and a completely untried enigma. Its purpose is, however, to increase the trade union movement's financial power and in that way change its traditional role. Therefore, it is no wonder that the dispute over the funds has split the nation into two.

The Finnish trade union movement is not even dreaming about the Swedish model. This can be concluded from SAK's recent seminar on fund matters. It investigated the fund idea's good and bad sides as well as a reasonable approach to it. The seminar stated realistically, as did SAK's secretary in his opening speech, that the Swedish-style fund cannot be realized in Finland; the bill would simply not pass in the parliament.

Despite all this, the big skein of matters for which SAK, too, uses the name wage-earner fund, preoccupies also the Finnish trade union movement. It, too, would like to expand financial democracy and company democracy, to even out the distribution of prosperity, to improve the share of risk capital in companies' capital management, as well as to participate in investment decisions and acquisition of capital, without forgetting employment.

Many of the preliminary ideas regarding funds, presented by the trade union movement, are in principle widely acceptable for further discussions. One of them is, for instance, capital management to which a partial solution could be lighter taxation of companies' internal profit.

On the other hand, part of the goals is of political nature and as such aims at transfer of power, which the employer side will hardly accept even as a

bargaining offer, as far as income and other negotiations are concerned. In the so-called Parden investigation alone, the majority of corporate and organizational executives had a negative attitude even toward agreements allowing the development of economic democracy.

Furthermore, there is no proof whether the employees would actually like to participate in the company's financial decision making or in its eventual profit or loss sharing. The risk can be big and the responsibility less tempting. The Gallup polls alone revealed negative attitudes, according to which especially the development of negotiation and agreement activities within the company has a priority in people's minds.

Thus, in our country the attitudes and starting points seemed to be completely different from those in Sweden. A clear fund model has not been created. Not even the idea, presented by STTK's [Finnish Central Federation of Technical Functionaries] chairman, for cooperation funds has become any clearer or gained wider support. Still hanging in the air are the ideas of using the trade union movement's membership savings for the internal risk ventures or of establishing investment companies similar to the ones experimented in Denmark.

The best thing about this discussion, which is getting livelier and livelier, is if it instead of dreaming about funds aims to improve the conditions for business activity and work motivation. Furthermore, the employees' involvement remains to be reasonably developed without changing the company's ownership relations by force.

The entire skein of matters is so big, and the basic knowledge about it is so incomplete that SAK's idea of forming a committee for it is in principle worth supporting. However, its assignment has to be drawn up carefully without causing unnecessary conflicts. So far we have been able to avoid them by not expressing too absolute opinions to one direction or another. A strong confrontation in this joint matter, basically related to the development of democracy and quality of employment, will not be advantageous to anyone.

12190

CSO: 3617/18

GOVERNMENT EFFORTS AGAINST PRIVATE ENTERPRISE ANALYZED

Athens | MESIMVRINI in Greek | Oct 83 p 1

/Commentary by K. Kolmer, "Sacrificial Lamb"7

/Text7 Chairman of the Greek Industries Association (SEV) Th. Papalexopoulos spoke yesterday of the dangers facing the Greek industries. He said if the present course continues, it will lead inevitably to the deindustrialization, the change of our economy and the decline of the standard of living for many years. The recent anti-industry developments, Papalexopoulos added, wounded the country's business climate with the slander of so many enterprises which had a very successful record, such as the AGET /Note: the cement company Iraklis7 which had annual exports of 150 million dollars!

Papalexopoulos made a last appeal to the government to change the industrial situation which, after 2 years of steady deterioration, has reached its nadir with the disappearance of any investment desire on the part of private initiative.

We fear, however, that this appeal will receive no reply because industry is led, like a sacrificial lamb, to the altar of political expediency and as a scapegoat for the psychological traumas and impulses of governors and governed.

The extermination of industry is part of the wider effort to destroy private enterprise in our country. The disappearance of private initiative, under socialism, is inevitable by definition. Because under socialist theory it is not possible to develop the collectivist economy without first eliminating the private economy so that there will be no opportunity for comparison. For example, how is it possible for a farm cooperative, or a public hospital to develop when they can be compared to the much more efficient results of the private farm enterprises or private hospitals? And how is it possible for the public sector to attract the necessary talent when the private sector offers so many more opportunities for creative action?

For these reasons our socialist government will make a systematic effort to eliminate every private enterprise in our country. The question is, of course, whether the private character of our economy will survive...

We believe socialism will crumble much sooner because we Greeks may now gloat

over the destruction of the industrialists. But when the consequences of the socialist change extend and lower the standard of living of all Greeks, then the socialist dogmas and psychological complexes will be forgotten. And then even the stones will rise to throw away the socialist yoke from the Greek's neck. Because, let us not deceive ourselves, we, today's Greeks, believe more in our pocket than in our logic. And our pocket has begun to feel the consequences of socialism in our country: our pocket gets more and more empty.

7520

CSO: 3521/45

ARSENIS WARNS AGAINST ABUSE OF BANK CREDIT

Athens | KATHIMERINI in Greek 6 Oct 83 p 9

/Text/ Severe penalties will be imposed on banks and enterprises for channeling of credits to purposes which are different from those for which the initial financing was made. The issue was discussed yesterday at a meeting of the state-controlled bank presidents under the chairmanship of Minister of National Economy Arsenis.

Arsenis told the press that a Bank of Greece credit audit revealed specific cases of significant outflows of bank credit for imports. In fact, according to Arsenis, such use is made at the instigation of the banks themselves. There have been charges that the managing establishment of the banks not only promotes but even presses businessmen to import items which are not even needed; mainly consumer goods such as cars and also raw material reserves for the industry.

It is reported that many enterprises which go to the banks to borrow for operational capital are pressured by bank officials to also take loans for imports. Such loans, because of the high interest rate and the commissions, insurance premiums, foreign exchange, etc., have a wide profit margin for the banks.

Arsenis added that the amounts used for these purposes are very large and that the meeting will study what measures or counter-incentives must be implemented to prevent such leaks in the future.

Bad Checks

The meeting also discussed yesterday the way to deal with the question of bad checks. According to Arsenis the Ministry of National Economy will take the initiative for measures in this sector since the Association of Greek Banks is too late in submitting a recommendation as it was asked to do.

In addition, the following issues were discussed at the meeting:

1. The allocation of bank financing for each sector, branch, and enterprise. The minister added that in his opinion there is no shortage of bank credit and the problem centers around the sound allocation of funds.

2. The direct financing of commerce with "two-line checks" /non-transferable/ to prevent borrowing by industry on behalf of commerce and consumption. This change will lighten the burden of interest rates on production.

3. Special lending questions. Arsenis said also that these questions will be discussed at a second round of talks with private banks.

On another subject, Arsenis denied that talks are being conducted with the EEC to limit imports from the Community. He explained, however, that in the context of the memorandum, there are talks for an adjustment of imports, taxation and other matters on the needs of the Greek economy.

7520

CSO: 3521/45

EXPANDED TRADE SOUGHT WITH BULGARIA, FINLAND

Athens I KATHIMERINI in Greek 20 Oct 83 p 9

/Text/ Alternate National Economy Minister K. Vaitzos and Deputy Minister And. Georgiadis held talks for the development of trade relations between Greece and Finland and Bulgaria. Specifically, Vaitzos had talks in Athens with a Finnish delegation headed by Foreign Trade Minister Laine. It was ascertained that while our imports from Finland have increased and are now fluctuating between 70 and 80 million dollars, the Greek exports to that country dropped considerably to a level of 10 million dollars.

With regard to the Greek exports, it was decided that a delegation would go to Finland for consultation with the four large consortiums of that country as well as for talks with state agencies which manage monopoly items such as wine. It was also decided to organize in Finland a "Week of Greek Products" for the purpose of promoting the exports of our products such as furs, leather goods and textiles.

The negotiations included investment programs and the Finnish side showed interest in our stainless steel and in participating in the procurement of capital equipment, technology, etc., from the large metallurgical complex MBFA. Interest was also expressed in the procurement of equipment for the Health Centers to be established in Greece, for small hydroelectric projects and for cooperation in the study now going on for cleansing the paper industry.

On the other hand And. Georgiadis, who met with Bulgarian Deputy Foreign Minister Sinev, said that the object of the negotiations was to study the progress in the implementation of the 1982 Program for Economic Cooperation and the promotion of bilateral economic relations. The major results of the negotiations can be outlined as follows:

1. The preconditions were established for unimpeded trade cooperation. The agreement ensures the necessary prerequisites for covering Greece's credit balance and the balanced and dynamic increase in the trade exchanges between the two countries.
2. The conditions for developing trade between the enterprises of the two countries were improved. Greece will buy from Bulgaria classical products,

wood products, metals, herbicides, glass panels, pork, meat and animals for fattening. On the other hand, Bulgaria will import from Greece more ready-made clothes, knitwear, animal feed, wire rope, and cable. It will also have ships repaired.

3. The parties agreed to give priority to the establishment of mixed Greek-Bulgarian enterprises and to industrial cooperation. It was agreed to have appropriate committees define by 31 January 1984 the technical and economic conditions for establishing and operating mixed enterprises in the sectors for which the long-term program provides. Such enterprises constitute a modern form of permanent cooperation, can give a firmer character to the cooperation between the two countries and can lift such cooperation to a qualitatively higher level.

4. The Greek side--prompted by the recent Greek-Soviet negotiations--asked the Bulgarian side to confirm its previously expressed intention to buy 200,000 tons of alumina annually when it builds its new alumina factory. The Bulgarians promised to give a formal written answer within 45 days.

Finally, Georgiadis said that the trade relations between the two countries the past 3 years present the following picture: Imports from Bulgaria: 1,804 million drachmas in 1981, 4,811 million drachmas in 1982 and 2,484 million drachmas during the first 6 months of 1983.

Exports from Greece: 2,932 million drachmas in 1981, 2,859 million drachmas in 1982 and 1,376 million drachmas during the first 6 months of 1983.

7520

355 3521/45

PEA HEAD CRITICAL OF GOVERNMENT INTENT TO CONTROL EXPORTING

Athens I KATHIMERINI in Greek 13 Oct 83 p 1

[Text] The Greek exporters are facing the danger of becoming regarded as unreliable and untrustworthy by their foreign customers, following the recent developments in the sector of private initiative. This was stressed yesterday by the chairman of the Panhellenic Exporters Association (PEA), G. Avramidis, in speaking at the meeting of the General Council of the association.

G. Avramidis stated characteristically: "Up to now, we have been facing difficulties in the placement of Greek products because of decreased competitiveness, but from this time on the danger is clearly looming that we will become less flexible and more irresolute in the taking of initiatives on exporting.

"The disturbance in the climate of security due to the commotion which was brought about recently in the case of Iraklis AGET [General Cement Company] has been noted as one cause of the situation which is faced by our exporting activity.

"The repercussions from the commotion which has developed," stressed G. Avramidis, "are not limited only to the specific enterprises but extend to the whole of the economy. And it is not only our private foreign customers who are worried, but much more so the foreign semi-governmental and governmental organizations which we associate with."

Loss of Competitiveness

With respect to the course of exports, the chairman of the PEA emphasized that whereas in 1980 we had reached a value of exports of \$5.2 billion, from 1981 on our exports have been sluggish at \$4.3 billion. This stagnation is due for the most part to a loss in competitiveness, and not to organizational weaknesses, as "many" try to depict it.

After expressing the opposition of the exporters to the government's intention to replace private initiative with State agencies, G. Avramidis stressed:

"A dialogue is needed for dealing with these problems. But this vital function cannot become useful and fruitful when one of the elements of the dialogue (the exporters) are faced with the threat of being abolished through governmental interventions or other administrative acts, or with the threat of moral destruction."

The Recovery

In order for there to be a recovery in export activity, the exporting community believes that:

1. Official assurances must be given that the existing export regime for all fields will not cease to be in effect.
2. The foreign-exchange policy which began to be implemented after the disengagement of the drachma from the dollar must be continued.
3. There must be an immediate and substantive support for exports.

12114

C/S: 5/21/72

GOVERNMENT PLAN FOR INDUSTRY WITHIN MIXED ECONOMY

Athens I KATHIMERINI in Greek 13 Oct 83 p 9

[Text] The decision of the government to broaden the role of the public sector in industry was announced by the alternate minister of national economy, K. Vaitsos, with this line perhaps giving an explanation for the policy of the numerous socializations which have been observed recently. Vaitsos, who is the government minister responsible for matters of industry and investments, said that although the government is not moving away from its basic choice, which is a mixed economy, it is determined to make the State a producer of goods. The theoretical justification for the principle of broad State intervention was given by Vaitsos by appealing to the fact that the participation of the public sector in manufacturing has not exceeded 5 percent of the total industrial production, a percentage which is the lowest in Europe.

But it should be noted that Vaitsos failed to include, as he ought to have done, the participation of the State in those industries which are under the control of the government banks (National Bank, Commercial Bank, the Hellenic Industrial Development Bank).

The alternate minister of national economy set forth the general lines of the government's industrial policy while speaking yesterday in Kavala, where he dedicated the building site of the new units of the Phosphoric Fertilizers Industry. Specifically, Vaitsos stated the following, among other things:

1) Throughout the post-war period, during which a significant development of manufacturing activities was noted, to the extent that today these generate about 1/5 of the gross national product, the participation of the public sector in productive industrial activities was at a particularly limited percentage. This percentage is lower than in almost all other countries of West Europe. If the portion of the economy controlled via government banks is excluded, the participation of the public sector in manufacturing has not exceeded 5 percent of the total industrial production during the last 20-25 years.

2) In parallel with this, within the same period the public sector expanded significantly in all sectors. But its absence from productive manufacturing activities demonstrates that this expansion was based above

all on the enlargement of the consumption and redistributive functions of the State.

4) Of course, with the participation of the State and employees' funds in entities such as the Commercial Bank or in the refineries, significant productive activities have come under the public sector. Nevertheless, under the government of the Right the public sector was never converted into an initiating element for the making of productive investments, for the creation of new activities, or for the planning of the investment activity of the units which finally came under it.

5) Today, our economy is faced with serious structural problems. The need for industrial modernization, for technological upgrading, and for the creation of new productive activities is vital and urgent.

The magnitude and complexity of the problem require three elements of activity from the public sector:

- a) Upgrading and modernization of the governmental machinery.
- b) Planning.
- c) Specific investment initiatives.

b) This planning has two significant dimensions:

First, there is the current scheduling and ranking of the investments, and of the agencies which will carry them out, within the framework of the public sector. At the same time, this essential coordinating will help also in the instructing and promotion of specialized officials who are very few in number at present in the public sector.

The second dimension is the utilization of the purchasing power of the State for the financing of investments. In these investments, the developmental aspect of the public sector will be called on to play a primary role.

Of our two specific investment initiatives of the State, one has a more immediate nature: the undertaking of projects which are large in scale, which entail high technological requirements, or which involve a high risk, or new fields which are being avoided at present by private initiative. It is worth noting here that large investments have been realized in the past, mainly in certain key fields, only by institutional capital, with this involving a good many privileges from the State. Today the public sector is being called on to take the place of this function performed by institutional capital, while safeguarding at the same time our national interests and our developmental goals.

It is without moving away from the sized company which constitutes our basic nucleus, as we determined at the Congress of the country last frequently emphasized, by the way, to make the State a producer of goods. The lack of such activities, from which governmental investments have been deliberately

excluded in the past, has negatively affected the entire spectrum of development of Greek manufacturing activity and has contributed to the wave of unemployment which our country faces.

8) We believe also that the enterprises of the public sector must act as magnets for the private sector and other productive agencies such as publicly based companies, corporations of local self-government, and the cooperatives. In this way, the more general conditions will be created which will promote in a multiplicative fashion a modern manufacturing sector with productive vigor and substantial developmental prerequisites.

Talk by Mr Argyros

Speaking prior to this was the chairman of the Administrative Council of the Phosphoric Fertilizers Industry, St. Argyros, who had said that the chief characteristics of the new units (for producing ammonia and sulfuric acid) which are being built are the following:

The first characteristic is the exploiting of domestic resources. The ammonia plant will utilize the gases from the Prinos deposits, and the new sulfuric acid unit will make use of the sulfur which is the by-product from the desulfurization of the natural gas.

The second characteristic is the savings in foreign exchange from the replacing of imports. At today's prices for raw materials and with the current foreign-exchange parities, the ammonia unit will allow us to save about 1.2 billion drachmas per year, and with the sulfuric acid unit we will save 400 million drachmas per year.

The third characteristic is the low energy consumption of the two units, which in conjunction with the generation of energy by the sulfuric acid unit will put the Phosphoric Fertilizers Industry among the top two or three Greek industries with respect to the self-generation of energy.

The fourth characteristic is the modern technology which is being used in both units, which in conjunction with the low energy consumption and the low investment cost leads to a very low cost for the ammonia and sulfuric acid produced which is absolutely competitive even at the present international prices.

The fifth characteristic is that with these investments a significant transfer of modern technology to our country is achieved, both due to the opportunity for specialization on the part of our officials, and due to the construction of a significant portion of the equipment, which is being done in Greece for the first time.

12114

1211/12

PAMOK ACHIEVEMENTS IN HEALTH SECTOR REPORTED

Athens I KATHIMERINI in Greek 25 Oct 83 p 2

[Text] Speaking to reporters yesterday on the activities of his ministry, Health and Welfare Minister Par. Aygerinos said that during the 2 years of PAMOK governing hospitals were expanded to accommodate 2,352 beds, 1,900 of which are already in use. The rest will be given to use in the first 1984 quarter.

In the meantime, the work on other hospitals will be completed in 1984 when 1,612 more beds will be added. According to the minister, the 5-year development plan provides for an increase of beds in rural health centers by 7,330 beds. The total number of new beds will thus reach 10,160. On the other hand, with the new reforms in the provincial hospitals the number of physicians increased from 1,020 to 1,250 and when ASY [expansion unknown] is completed, the rural areas will have 3,100 physicians in hospitals, 1,850 in health centers and 1,100 specialists or a total of 6,050.

Aygerinos said that 2,581,289,000 drachmas were spent in 1982 for operating and equipping hospitals and for constructing hospital infrastructure projects. He added that in 1983 the cost is expected to reach 2,218 million drachmas compared to 399,990,000 spent in 1979, 648,158,000 in 1980 and 978,700,000 drachmas in 1981.

The report on the 2-year activities of the ministry praised the legislative work of the government and mentions as achievements the laws passed for KASY, ASY and ASY [expansions unknown] and the law for the establishment in 1983 of two university hospitals and facilities for transplants. It also mentions the presidential decrees by which various hospitals were nationalized and merged.

Of the 550 Health Centers to be built, 165 in non-urban areas are expected to go into operation in 1984. They will have 1,850 specialized physicians who will cover the needs of 3 million people.

7320

CIN: 3/21/20

TALKS TO IMPROVE GREEK-YUGOSLAV TRADE SLUMP

Athens I KATHIMERINI in Greek 27 Oct 83 p 9

[Text] Greek-Yugoslav trade is at a particularly low level compared to existing possibilities for expanding it. This is the conclusion reached by the government after talks with a Yugoslav delegation. More particularly--as National Economy Alternate Minister K. Vaitzos said--the delegations of the two countries reached the following conclusions:

- a. The trade between the two countries is particularly low and does not represent the developmental level of their economies.
- b. There are specific sectors for meaningful increase in cooperation if relations are developed.
- c. The trade increase will contribute to the overall development of good neighbor relations and to the promotion of common objectives.

At the same time it was pointed out that Yugoslavia is the only land passage for Greek exports to Western Europe while Greece is the passage for Yugoslav exports to the Middle East (Salonica port).

Vaitzos said that at the end of next January a Yugoslav delegation at the ministerial level will visit Greece to study the developments which will have taken place at the technical level regarding the possibilities for cooperation. More specifically, these possibilities concern:

- a. Participation of Yugoslav enterprises in public competitive bids (Greek Telecommunications Organizations, Public Power Corporation).
- b. Participation of Greek technical companies in construction competitive bids in Yugoslavia.
- c. Establishment of joint enterprises in the industrial sector and especially in areas of machinery equipment.
- d. Promotion of exports of industrial products.

With regard to permits for passage by Greek trucks through Yugoslavia, the Greek side asked for a considerable increase in the number of such permits and the request was accepted in principle. On its part, Greece assumed the obligation to support the Yugoslav positions in international organizations (European Investments Bank, etc.) for the modernization of the Yugoslav transportation network.

7520

OSO: 3521/70

BRIEFS

SOVIET INTEREST IN CHARTERING MERCHANT SHIPS--Merchant Marine Secretary General Vas. Saranditis who headed a delegation of ministry experts to the Soviet Union for the Fifth Mixed Greek-Soviet Maritime Meeting in Moscow returned yesterday to Athens. The meeting discussed issues of common interest and the cooperation between the two countries on merchant marine education. For this purpose, it was agreed to have a group of ministry cadres go to the Soviet Union. At the meeting it was once more ascertained that the Soviet Union is interested in chartering Greek merchant ships, while the Greek side expressed interest in broadening the Greek-Soviet cooperation in the maritime sector. It was also ascertained that the cooperation between the two governmental delegations on international matters was good and that such cooperation should be expanded. /Text/ /Athens I KATHIMERINI in Greek 22 Oct 83 p 7/
7520

CSO: 3521/50

BUDGET PROPOSAL ASSUMES ECONOMIC GROWTH FOR 1984

Oslo AFTENPOSTEN in Norwegian 24 Sep 83 p 5

[Article by Bjørn H. Tretvoll: "Continued High Unemployment; Opportunities for Increased Growth in 1984"]

[Text] Continued growth in the international economy, an increase in Norwegian industrial production after an extended period of decline and stagnation, and a still lower rate of price increases with danger of somewhat higher unemployment. These are some of the main features of the Norwegian economy as reflected in a number of forecasts coming in advance of the government's State and national budget.

The government's policy for next year will be of great importance to development. But earlier decisions and the situation abroad are involved and restrict the abilities of Norwegian authorities to strengthen development. The government's State budget is to be presented first on 5 October, but the main features of the strategy the government will rely on are known, in any case if the statements of the government parties' spokesmen are followed up in the budget.

Agreement between the forecasters and the upswing abroad is great. It is first and foremost the USA which is leading the way, with distinctly poorer growth prospects for most European countries. Norges Bank [Bank of Norway] emphasizes in its last economic survey that the upswing which can be expected must be characterized as slight, seen in the historical perspective, and it will not prevent unemployment in Western industrial countries from continuing to remain at a very high level.

The Norwegian government has announced a tight financial policy with main emphasis on continued reduction in the growth of prices and costs. This will contribute to improving Norwegian industry's competitiveness so that it is possible to exploit the opportunities the international upswing is providing. At the same time, it is necessary to avoid domestic demand's becoming so slight that unemployment continues to rise.

Now a notion like a "tight financial policy" is gradually about to lose its meaning in the Norwegian context. It is therefore difficult to estimate how large reductions in the budget deficit in addition to oil taxes the

government has accomplished, in spite of the many statements which have announced further tightening.

The budget for 1983 was launched with strong emphasis on the fact that a tight policy was necessary. However, in the course of the year the series of additional concessions and measures has resulted in the fact that the financial policy became more expansive in 1983 than ever.

The Norwegian Banking Association in its forecast for 1984 has used as a starting point that measures be carried out which can reduce the State's budget deficit before oil taxes by 2.5 billion kroner, which is clearly less tightening than what business organizations proposed in their letter to the government.

Among the measures the banking association has counted on is a reduction in subsidies to households and business by 10 percent, or about 2 million kroner, no real increase in transferring of funds to the municipalities, and a reduction of 300 million kroner in deficits for the State's business enterprises. Growth in public consumption should be limited to between 1.5 and 2.0 percent. In addition, a real tax relief equivalent to 750 million 1982 kroner has been taken into account.

Such a change in the finance policy together with a somewhat easier credit policy can produce total growth for the Norwegian economy (in addition to oil and shipping) of 2.5 to 3.0 percent after approximately zero growth both in 1982 and 1983, according to the banking association. The rise in prices can come down to 6.5 percent, while growth in wages is estimated at 6.0 percent. Private consumption will increase by 1.5 percent after stagnation in 1983, while it is hoped that growth in public consumption will come down to 1.75 percent versus 3.75 percent in the current year.

The upswing abroad will produce growth for the Norwegian exports industry, but development for other parts of Norwegian industry will be poor. Nevertheless, the banking association believes that there can be combined growth in industrial production of 2 to 3 percent. The Bank of Norway's estimate is more cautious and suggests industrial growth of 0.5 to 1.0 percent.

High Unemployment

Opinions on development in the job market vary a bit. The banking association believes that the growth in unemployment can come to a dead stop in 1984, while Bergen Bank in its last economic survey fears an unemployment figure of up to 5.5 to 6.0 percent in the course of the winter. Christiania Bank and Kreditkasse's economic secretariat are counting on average unemployment of 4.0 percent in 1984.

The development in the unemployment figures will be followed with great attention by politicians. It is most probable that the policy will be changed in a more expansive direction if an unemployment figure of up around 6 percent is gotten in the coming winter.

Development in Norway's foreign trade economy has been very favorable in the present year. The Central Statistical Bureau is now suggesting a record high surplus in the trade balance for 1983 of between 13 and 15 billion kroner. For next year most forecasters are counting on continued growth in our traditional exports.

Investment activity constitutes a significant uncertainty factor for 1984. Industry's investment can possibly increase somewhat after the strong decline most recently. Development of earnings in parts of industry can contribute to an increase, while a high real interest rate level is working in the opposite direction, the Bank of Norway points out.

Growth in Investment

The oil companies' investments, on the other hand, appear to be becoming an important growth factor. The banking association estimates the increase in this area at 44 percent. With growth in industrial investment of 5 percent, according to the banking association's forecasts, the situation is combined investment growth of 11 percent from 1983 to 1984.

The competitiveness of Norwegian industry will be improved by 4 to 5 percent from 1982 to 1983 if wage costs per unit produced are used as a basis. If worsening of competitiveness is to be reduced from 1983 to 1984, growth in wages must be limited to between 5 and 6 percent, the Bank of Norway asserts, which adds that this ought to be possible to achieve.

The banking association points out that with growth in wages of 6 percent and a rise in prices of 6.5 percent tax relief and increased insurance payments can contribute to an individual's not having his purchasing power reduced.

An important factor in this context is which profile the expected tax reliefs get.

The table shows growth in percent from 1983 to 1984 according to the different estimates. The exception is unemployment, where the figure gives average unemployment in 1984, and the foreign trade balance, where the figure gives the surplus or deficit in the trade balance in billion kroner. The forecasts are from the Norwegian Banking Association (DNB--made in August), Christiania Bank and Kreditkasse (CBK--August), the Organization for Economic Cooperation and Development (OECD--July), Norges Industriforbund [Norwegian Industry Federation] (NIF--July), and the Wharton Econometric Forecasting Association (WEFA--July).

Forecasts for 1984	DNB	CBK	OECD	NIF	WEFA
Private consumption	1.5	1.5	1.25	1.0	1.9
Public consumption	1.75	2.5	2.5	2.5	3.0
Gross investments	11	8	8	6-7	4.8
Exports	1.75	2.7	2.25	2.2	0.4
Imports	4.5	2.5	3	1.8	1.3

[Continued on following page]

Gross national product	1.75	2.1	1.0	1.0	2.6
Consumer price index	6.5	6-7	7	6-8	7.1
Industrial production	2-3	3	0.5	1.5	2.3
Unemployment	-	4.0	3.5	3-3.5	3.6
Foreign trade balance	7	0-5	-2.1	-3.5	3.5

8985

CSO: 3639/7

POLL: UNEMPLOYMENT IS MOST IMPORTANT PROBLEM

Oslo APTENPOSTEN In Norwegian 10 Oct 83 p 3

[Article by Morten Malin: "NOI [Norwegian Opinion Institute]/APTENPOSTEN: Unemployment Norway's Clearly Most Important Problem"]

[Text] Fifty-three percent of the people here in the country think that unemployment is the most important problem Norway is facing. This is shown by a new poll Norsk Opinionsinstitutt took for APTENPOSTEN. Younger people see unemployment as a more important problem than older, and people living in North Norway rank it as a bigger problem than those living in the Østlandet [East Norway] area. Fifteen percent of those asked think war/peace is Norway's most important problem, while 10 percent of those asked consider the most important problem to be inflation and the high cost of living.

In the poll which NOI took for APTENPOSTEN the following question was asked: "What do you think is the most important problem Norway faces today? The poll produced the following result: Fifty-three percent thought that unemployment was the most important problem, 15 percent chose war/peace, 10 percent the high cost of living and inflation, 6 percent crime/violence and defense/security, 4 percent nuclear weapons/deployment of nuclear weapons, 3 percent regarded dissatisfaction with the government to be the biggest problem, 2 percent answered narcotics/intoxicants and the economy, and 1 percent of those asked thought energy questions, strikes and racism were the most important problems. Eight percent chose the answer alternatives of "other" and "do not know." Several of those asked ranked more than one problem as the most important.

Assessment

One main conclusion of this poll is that more than half of the people now believe that unemployment is our most important problem here at home. This is a pervasive trait whether the figures are split up by sex, age, residence, party preference or income.

The poll shows that women and men regard unemployment with equal seriousness (53 percent), that those under 30 think it is a more important problem (57 percent) and those over 50 (51 percent), and half of those who live in

Oslo/Akershus or the rest of the Østlandet area regard unemployment as the most important problem. In North Norway it is 60 percent who choose this answer option.

Those who earn between 110,000 kroner and 160,000 kroner (59 percent) look on unemployment more seriously than those earning under 100,000 kroner (47 percent) and those who earn over 160,000 kroner (54 percent). Fifty-seven percent of LO [Norwegian Federation of Trade Unions] members asked think unemployment is the most important problem. Then when the figures are broken down by party preferences the poll shows the following: 55 percent of those who sympathize with the Labor Party think unemployment is our most important problem. Fifty-seven percent of the Progressive Party's voters, 48 percent of the Conservative, 49 percent of the Christian People's, 51 percent of the Socialist Left, 47 percent of the Liberal and a whole 65 percent of the Center Party's voters think unemployment is the most important problem.

War and Peace

Fifteen percent of those asked think war/peace is our most important problem. There are more women who think this than men and war and peace is regarded as a more important problem by more in the Oslo area than in North Norway and in Vestlandet [West Norway]. Those who earn under 100,000 kroner regard this as a more important problem than those who earn over. Twenty-nine percent of the Socialist Left Party's members think war/peace is an important problem, 15 percent of the Labor Party's voters, and 9 percent of the Conservative Party's voters think war/peace is an important problem.

According to 10 percent, inflation and the high cost of living is Norway's most important problem. In North Norway there are 15 percent who think this, and those who vote for the Conservative, Christian People's and Center parties think this is a more important problem than those who vote for other parties. 9 percent of LO-affiliated people think inflation and the high cost of living is an important problem.

518 percent of those asked regard crime and violence as an important problem. Women believe this to a greater extent than men, and people in North Norway to a greater extent than people in other parts of the country. Crime and violence is ranked as just as an important problem as war and peace by the Center Party's voters.

2985

100: 16/9/1

LABOR CONGRESS, UNION CHIEF COOL TOWARD 'FUND' SYSTEM

Oslo AFTENPOSTEN in Norwegian 29 Sep 83 p 34

[Article by Ragnhild Moy: "LO [Norwegian Federation of Trade Unions] Chairman: Wage Earner Fund Not of Current Interest"]

[Excerpt:] "I have always been of the opinion that we have to find other solutions than the wage earner fund. I am therefore not surprised about the conclusion of the debate at the national meeting of the Paper Industry Workers Federation," LO Chairman Tor Halvorsen says to AFTENPOSTEN. There is, for that matter, broad scepticism regarding a wage earner fund according to the Swedish model in all LO federations.

"But in a situation in which there are problems in coming up with risk capital a new discussion will force its way forward regarding the need for capital, and how we are to have democratic management of the capital," Halvorsen says.

He emphasizes that the LO will not see this as a link in increasing democratization of industry. In the trade union movement labor and capital have been set against one another, and it is labor which is the trade union movement's goal.

As far as the development of economic democracy in Norway is concerned, the trade union movement has been banks, credit institutions and insurance companies as important elements. A report on democratization of insurance companies is in progress.

"What now makes it still more important to gain control over capital is that it is becoming ever more difficult to get a hold of risk capital," Halvorsen says, who, incidentally, remarks that the stock exchange is doing well. He alludes also to the fact that the government is wary about contributing loan capital to concerns. Thereby a discussion will force its way forth regarding how capital is to be provided and democratic management of it is to be achieved.

Paper Workers Federation National Meeting said NO to Wage Earner Fund

A wage earner fund according to the Swedish model is not of current interest in Norway. This was the conclusion of the debate at the national meeting of

the Norwegian Paper Industry Workers Federation yesterday. But most of the speakers emphasized that there is a need to gain some form of control over capital in industry. How this is to take place must be discussed further. Federation Chairman Lars Skytøen from Iron and Metal also emphasized in his nomination that the Swedish model cannot be automatically transferred to Norway.

Skytøen introduced a debate on economic democracy and emphasized that now it is necessary to discuss more specifically what is meant by economic democracy and that it is necessary for us to decide how we will proceed to achieve this goal.

In addition, the national meeting unanimously supported a proposal to enter into negotiations with other industry federations in order to achieve a merger between the most important industry federations in L.O.

2925

1980 10/19/77

LABOR MINISTER COMMENTS ON DROP IN JOBLESS RATE

Oslo ARBEIDERBLADET in Norwegian 4 Oct 83 p 7

[Article: "More Working"]

[Text] Approximately 61,000 people were unemployed here in the country at the end of September. This is a decline of 7000 from August, but 13,000 more unemployed than a year ago.

"The reduction in unemployment from last month was expected, and the figures are gratifying," Labor Director Reidar Danielsen says in commenting on the development in the job market.

He points out that the decline is due first of all to the authorities' extraordinary employment measures and that a number of youth who had gone unemployed have now gotten places in more advanced schools.

Not a single county had an increase in unemployment to September. Nordland had the biggest decline with 900 more persons working than in August. Hordaland has the most unemployed in September, at 7400--a decline of 52 from August. Labor Director Danielsen says that a continued decline in unemployment over the winter cannot be expected.

LO [Norwegian Federation of Trade Unions] Chairman Tor Halvorsen says in a commentary that one must of course express one's happiness for any decline in the unemployment figure.

"Nevertheless, I want to warn against too great optimism. The decline we experienced in September will certainly be temporary. Like the labor director, I am also afraid that unemployment will rise over the winter. We had really not expected so great a decline in the unemployment figures from August to September. Therefore, the announcement is a little encouraging. It at least gives us a better starting point when we encounter the winter," Halvorsen says.

Halvorsen does not want to enter into any explanation of the big drop in the unemployment figure, but does not disregard the fact that the government's employment measures and the fall's school enrollments have had an important effect.

BRIEFS

TRADE SURPLUS INCREASES--The Central Statistical Bureau's preliminary draft of the foreign trade balance statement for January-July 1983 shows a surplus in the trade balance of 9.456 billion kroner versus 2.914 billion kroner in January-July 1982. For goods and services as a whole there was an export surplus of 19.771 billion kroner in January-July 1983 versus 13.483 billion kroner in the same period in 1982. The interest and aid balance showed a deficit of 10.315 billion kroner in January-July 1983 versus 10.569 billion kroner in January-July 1982. The trade balance surplus corresponded to the net issuing of longterm capital to the tune of 8.658 billion kroner and net issuing of shortterm capital to the tune of 797 million kroner. Total reserves showed a decline of 4.497 billion kroner since the expiration of 1982 and equaled 35.278 billion kroner at the expiration of July 1983. [Text] [Oslo AFTENPOSTEN in Norwegian 13 Oct 83 p 20] 8985

CSO: 3639/7

LAXITIES IN FORMER LAW ON AGRICULTURAL PESTICIDES CITED

Helsinki HELSINGIN SANOMAT in Finnish 16 Oct 83 p 11

[Text] Four professors of the Agricultural Research Center have in practice made a decision regarding control agents, according to professor Martti Markkula, who is the main decision maker and the chairman of the Plant Protection Agency. For years Markkula has been working on having the Plant Protection Agency be discontinued and the circle of decision makers widened. "The environmental research scientists and those who spread the toxins or the people in charge of the conditions of those who farm the land have to decide about control agents."

In the committee Markkula was preparing a change in the Control Agents Law, which is now being submitted to the Parliament. The law will involve clear improvements. Apart from harmful effects on humans, farm animals, farm land and nature, "damaging effects on other environment" will also be included. The sales permits for control agents will soon be granted by a composite administrative board of experts including representatives of, for example, industrial hygiene and environmental protection as well as food control.

Markkula considers the law reform necessary and urgent, although he does not admit that any bad mistakes would have taken place in the control of control agents. "The disappearance of starlings is not a result of agricultural toxins. We no longer use such control agents that are known to accumulate in the food chains in nature or which would, when used according to directions, be harmful to nature."

"DDT remains the number one example of environmental toxins, although the sales and the use of the agent was banned completely in 1975," says Markkula.

Effectiveness Most Important at First

In the control of control agents effectiveness was the most important issue in the beginning: the pesticide had to kill its object, and ineffective substances were not allowed to enter the market. In the 1948 toxin statute regulations were already included for the protection of people, and to some extent domestic animals, from toxic effects.

"Nature" was included in the law as a result of a presentation made by the Plant Protection Agency in 1969. According to this law a control agent must not have harmful effects on humans, domestic animals, cultivated plants, cultivated land or nature. Now in addition to nature "other environment" is added to the list.

The laws and statutes have been mended over the years. Now the manufacture, transport and use of control agents is regulated in close detail. For example, substances dangerous for bees must not be spread close to bee hives and they must not be used for the treatment of flowering plants.

The control agents packages are equipped with detailed directions for use, which are accepted and inspected point by point by the Plant Protection Agency. "When the directions are followed, there is no danger. On the basis of tests the directions have been specified to be so rigid, that it would take a dose 50-100 times greater to exceed the safety threshold," says Markkula.

"The knowledge about control agents is already so extensive that it is possible to tighten the requirements on control agents further and make the requirements more specific. The goal of the law reform is also to simplify the present complicated permit system in such a way that new products get on the market faster," says Markkula.

Inspection Coming to Agricultural Districts

The inspection of the use of control agents is a current weakness. The inspection of the use of control agents is handled by the Plant Protection Agency. So far the Plant Protection Agency has in practice been able to do inspection by random testing. There are 7 people working in the Control Agents Office, 4 of which are inspectors.

The National Board of Agriculture and the agricultural districts will now be in charge of directing and supervising the use of control agents. According to the plan the National Board of Agriculture will be aided in the task of supervising by collaborating with the Institute of Agricultural Chemistry.

With the agricultural districts as supervisors the overseeing can be extended to include the spreading of control agents over fields and forests.

The reform of the control agents legislation was clarified in the committee, the chairman of which says that the committee will continue its work further. Now the emphasis will particularly be placed on how to make the supervision more efficient. The proposals were first prepared in writing and the intention is that they be accepted in connection with next year's budget.

Both the chairman of the committee, Rekola, and the vice chairman, Markkula say that the work within the committee has been done in unanimity. Differences of opinion appeared only in regard to the role of the National

Board of Health. The National Board of Health was suggested to provide one opinion among other opinions. The Control Agents Board would have determined the level of toxicity based on the standpoint of the National Medical Board. No change is, however, now proposed for the Toxicity Law.

The system with a board as a decision making organ is a new type of combined administrative authoritative organ. The committee was unanimous in this regard. The administrative division of the Ministry of Finance, on the other hand, found the proposal strange when it handled it and proposed that a collegium be the decision making organ. In such a case the decision maker could have been the Ministry of Agriculture.

"The situation would not change if the decision makers would be a group of directors from the Ministry of Agriculture instead of 4 professors of Agriculture. The control agents require a group of experts with as broad a background as possible," says Professor Markkula.

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BALTIC SEA ENVIRONMENT CONFERENCE NOTES IMPROVEMENTS

Helsinki HELSINGIN SANOMAT in Finnish 18 Oct 83 p 12

[Text] The scientists who participate in the Baltic cooperation do not support such prognoses according to which the remaining life time for the Baltic would be only 20 years. Their opinion is, on the contrary, that the condition of the Baltic has in certain regards even improved in the last few years. At least the levels of DDT, PCB and mercury seem to have declined.

Representatives from 7 Baltic coast nations are right now participating in a seminary arranged at Hanasaari in Espoo, where, among other things, are discussed the condition of the Baltic as well as the technical possibilities to improve the condition. The Seminary is arranged by the Finnish Sea Environment Negotiation Committee and it will end next Friday.

Last summer information appeared in, among others, Finnish press, according to which the expected life time of the Baltic would be only 20 or 30 more years. The scientists who are participating in the collaboration according to the Baltic Agreement do not make such prognoses, according to what Terttu Melvasalo from the Environmental Ministry said in her introductory speech.

Lars Thorell from the Swedish Environmental Protection Board told that especially the levels of the substances that are considered most dangerous, like DDT and PCB, have declined in the organisms. Several areas which have been on the "black list" because of the high mercury levels in fish, have now been removed from the list, according to him.

"It is not possible, however, to claim that enough has been done to prevent the destruction of the Baltic," said Thorell.

In 1974 in Helsinki the Baltic countries signed the so called Helsinki Agreement regarding the environmental protection of the Baltic Sea. The agreement came officially into force in 1980. For the ten year conference that will be arranged next year a broad report is being prepared about the work that has been done so far to protect the Baltic Sea.

GOVERNMENT SUBMITS STRICT PESTICIDE CONTROL LEGISLATION

Helsinki HELSINGIN SANOMAT in Finnish 16 Oct 83 p 11

[Text] The reformed control agents law, which was submitted as a government bill to the Parliament, rules that control agents may not in the future cause apparent danger or harm to human health nor to the environment.

A special Control Agents Board will in the future grant the permits for the sale and use of control agents. Before the sale and use of a substance the National Board of Agriculture has to register the substance as a control agent.

According to the law proposal the Control Agents Board will consist of representatives for the agricultural, plant protection, industrial hygiene, health care, food control and the environmental protection authorities.

The new regulations for control agents are planned to come into force by the beginning of next March.

Currently permits for the sale of control agents are granted by the Plant Protection Agency, which consists of the four divisions of the Agricultural Research Center: the plant protection division, the plant disease division, the garden division and the pest division. The Plant Protection Agency is now handling the official control of the control agents. That includes the investigation of the biological effectiveness and usefulness of the substances as well as their registration.

The plan is to discontinue the Plant Protection Agency. The four divisions will remain as separate research divisions of the Agricultural Research Center, which has already been moved to Jokioiset. The Control Agents Office of the Plant Protection Agency will on the other hand be transferred to the National Board of Agriculture where the permit applications are prepared.

Jyvaskyla For Environmental Research

The National Board of Agriculture requires the necessary investigations and research. The statute will later rule which of the government institutions and offices will be responsible for the control of control agents.

The intention is to have the Environmental Research Center of the University of Jyväskylä perform the studies of the environmental effects because of available expertise and equipment. Funding is presented in the budget for the Environmental Research Center for control agents studies as well as salaries for more staff.

The Agricultural Research Center, the Institute for Forestry Research, the Institute for Industrial Hygiene as well as the research laboratories of the Food Administration will also be appointed to do research.

The National Board of Health will, according to the law proposal, continue to maintain its special position in the classification of the toxicity of the control agents. The control agents committee that has prepared the law proposal suggested that the National Board of Health would be one of the parties that would present a statement, whereby the Control Agents Board would make a decision about the toxicity. The law proposal does not change the current situation, but the National Board of Health will, according to the Control Agents Law, continue to determine, based on the level of danger represented, whether a substance should be classified as toxic, moderately toxic or as other control agents.

31 "Toxic Substances" Used

The control agents register of the Plant Protection Agency included 310 control agents at the end of last year. According to the report of the National Board of Health 31 of these were toxic, 167 moderately toxic and other control agents 112.

Most of the substances of the register are pest control agents, a total of 124. There were 102 weed control agents, 46 plant disease control agents, 27 insect repellants and 8 growth regulators.

The Plant Protection Agency granted in 1982 sales permits for 5 plant disease control agents, 5 weed control agents and 6 pest control agents. 14 products were removed from the register. 26 new preparations were officially reported for investigation. The control tests included a total of 100 control agents. The tests for one control agent may last 2-3 years.

For the Plant Protection Agency examinations were completed by 200 individuals in charge of selling control agents and by 516 individuals who handle control agents. A total of 93 examinations pertaining the spreading of control agents for underbrush by air and along roadsides. A total of 166 examinations were rejected.

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BRIEFS

PCB TO BE BANNED--"The import, production and installation of new devices that contain PCB will be banned as soon as a decision has been made as to what measures have to be taken," stated the Minister of the Interior Matti Ahde (Social Democrat) on Thursday during the Parliament interpellation hour. The matter is currently being prepared in the ministry whereafter the Cabinet can make a decision. It does, however, require a change in the section 22 of the Waste Management Law. The government bill in regard to this will be submitted to the Parliament during the fall session, according to Ahde in his answer to member of Parliament Ulla-Leena Alppi's (Finnish People's Democratic League) oral question. A study is currently being made regarding the placement of the devices that contain PCB. It is handled by the fire and electricity inspection authorities. All the necessary administrative and legislative work that is needed for the PCB devices, should be finished at the latest during the first quarter of next year, according to Ahde. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 30 Sep 83 p 9] 9662

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MINING COMPANIES CALL FOR MODERN ENVIRONMENTAL LAW

Athens I KATHIMERINI in Greek 25 Oct 83 p 7

/Text/ "The protection of the environment should always keep pace with the activities of enterprises for the exploitation of mineral wealth," states an article in the recent Bulletin of the Association of Mining Companies /SME/ and adds: "In this respect, economic and mining authorities support the view that the aim of a future institutional law should be to coordinate, simplify and modernize existing regulations, procedures and jurisdictions without creating monumental problems for the mining companies which by their nature are closely connected to the environment." Thus," the article continues, "overlappings, clashes and interpretation problems will be avoided as well as time wasting procedures which will indeed create problems for both the environment and the economy and especially for the mining development."

It appears that the dialogue between SME and the Ministry of Urban Planning and Environment /YKhOP/ has begun and it has become known that a plan the YKhOP prepared has been thoroughly studied by SME's appropriate services so that they can submit practical and constructive suggestions.

It was also made known that recently SME leaders supported the plan as it stands today, completely ignoring the need to develop certain production activities which the plan's provisions define as harmful and therefore forbidden.

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ATHENIAN AIR POLLUTION HIGH IN LEAD

Athens I VRADYNI in Greek 6 Oct 83 p 1

/Article by Al. Souras: "Lead of 'Nefos' Found in the Blood of Athenian Children"/

/Text/ Examinations at the "Marika Iliadi" Maternity Clinic showed a considerable quantity of lead in the blood of newborn children. This revelation, which confirms the report I VRADYNI published on 26 September, was made by pediatrician K. Pappas during a press interview he gave on the occasion of the Third Perigenetic Medicine Congress which starts Saturday at the Hilton. Pappas who is chairman of the organization committee said also that:

As I VRADYNI has revealed, the authorities have in their hands exceedingly disturbing data from the analyses of blood taken from children in the City Hospital early in June. Yet, up until now, not only have they failed to announce these data but neither have they undertaken immediate and necessary investigations to save the children of Athens from this poison which causes also malignant anemia.

Pappas pointed out that the researchers are trying to find out to what extent the presence of lead is due to the cloud /"nefos" over Athens/ and especially to automobile exhaust fumes.

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